

1 UNITED STATES BANKRUPTCY COURT

2 DISTRICT OF NORTH DAKOTA

3 Case No. 25-30002 (Jointly Administered)

4 - - - - - x

5 In the Matter of:

6

7 GENERATIONS ON 1st, LLC,

8

9 Debtor.

10 - - - - - x

11 Case No. 25-30003 (Jointly Administered)

12 - - - - - x

13 In the Matter of:

14

15 PARKSIDE PLACE, LLC,

16

17 Debtor.

18 - - - - - x

19 Case No. 25-30004

20 - - - - - x

21 In the Matter of:

22

23 The Ruins, LLC,

24

25 Debtor.

Page 2	Page 4
<p>1 ----- x</p> <p>2</p> <p>3</p> <p>4 United States Bankruptcy Court</p> <p>5 Quentin N. Burdick U.S. Courthouse</p> <p>6 655 1st Ave. N.</p> <p>7 Fargo, ND 58102</p> <p>8</p> <p>9 Monday, November 24, 2025</p> <p>10 8:30 AM</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21 B E F O R E :</p> <p>22 HON SHON HASTINGS</p> <p>23 U.S. BANKRUPTCY JUDGE</p> <p>24</p> <p>25 ECRO: UNKNOWN</p>	<p>1 A P P E A R A N C E S :</p> <p>2</p> <p>3 THE DAKOTA BANKRUPTCY FIRM</p> <p>4 Attorney for Debtors</p> <p>5 1630 First Avenue North, Suite B</p> <p>6 Fargo, ND 58102-4246</p> <p>7</p> <p>8 BY: MAURICE VERSTANDIG</p> <p>9 CHRISTIANNA A. CATHCART</p> <p>10</p> <p>11 VOGEL LAW FIRM</p> <p>12 Attorneys for Red River State Bank</p> <p>13 218 Northern Pacific Avenue</p> <p>14 Fargo, ND 58102</p> <p>15</p> <p>16 BY: KESHA TANABE</p> <p>17 CAREN W. STANLEY</p> <p>18 DREW J. HUSHKA</p> <p>19</p> <p>20 DAVENPORT EVANS HURWITZ & SMITH LLP</p> <p>21 Attorney for Red River State Bank</p> <p>22 206 West 14th Street</p> <p>23 Sioux Falls, SD 57101-1030</p> <p>24</p> <p>25 BY: ANTHONY M. HOHN</p>
Page 3	Page 5
<p>1 HEARING re Motion by Red River State Bank to Convert Case</p> <p>2 from Chapter 11 to 7 filed 09/26/2025 (Doc. 109)</p> <p>3</p> <p>4 HEARING re Joinder by Watertown Development Company to Red</p> <p>5 River State Bank's Motion to Convert Case from Chapter 11 to</p> <p>6 7 filed 10/10/2025 (Doc. 131)</p> <p>7</p> <p>8 HEARING re Objection by Debtor to Red River State Bank's</p> <p>9 Motion to Convert Case from Chapter 11 to Chapter 7 filed</p> <p>10 10/17/2025 (Doc. 143)</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25 Transcribed by: Sonya Ledanski Hyde</p>	<p>1 KD LAW, PLLC</p> <p>2 Attorney for D&M Industries, Inc.</p> <p>3 3429 Interstate Boulevard</p> <p>4 P.O. Box 9231</p> <p>5 Fargo, ND 58106-9231</p> <p>6</p> <p>7 BY: JOHN M. KRINGS, JR.</p> <p>8</p> <p>9 WOODS FULLER SHULTZ & SMITH PC</p> <p>10 Attorney for Watertown Development Company</p> <p>11 300 South Phillips Avenue, Suite 300</p> <p>12 Sioux Falls, SD 57104</p> <p>13</p> <p>14 BY: JORDAN J. FEIST</p> <p>15</p> <p>16 BASSFORD REMELE</p> <p>17 Attorney for Diamond Wall Systems</p> <p>18 Fifth Street Towers</p> <p>19 100 South 5th Street, Suite 1500</p> <p>20 Minneapolis, MN 55402</p> <p>21</p> <p>22 BY: JEFFREY D. KLOBUCAR</p> <p>23</p> <p>24</p> <p>25</p>

Page 6				Page 8			
I N D E X							
PAGE							
WITNESS(ES): DX CX RDX RCX				Development Corp -- Company.			
JOSHUA LUTHER				MR. FEIST: Good afternoon. Jordan Feist on			
By Mr. Hushka 12 92				behalf of Watertown Development Company.			
By Mr. VerStandig 63 95				THE COURT: Is there anyone appearing on behalf of			
By Mr. Feist 89				D&M Industries?			
				MR. KRINGS: Good afternoon, Your Honor. John			
				Krings on behalf of D&M Industries.			
				THE COURT: Diamond Wall Systems? Any other			
				parties who'd like to make an appearance? Okay. Now that			
E X H I B I T S				we've taken appearances, and I know who's all here, I wanted			
NO. DESCRIPTION PAGE				to go through a couple of logistics. We're supposed to get			
ECF 95-2 Second Appraisal Report 37				bad weather, which is why there are a lot of people			
ECF 95-3 Third Appraisal Report 37				appearing by the video conference today. I get that. And I			
ECF 59 Red River Appraisal Report 62				approved that. I don't anticipate that people can't get to			
				the courthouse, including me, tomorrow.			
				If something happens, I will just ask that you			
				call the clerk's office. The clerk's office will have			
				somebody answering the phone, no matter how bad it is			
				outside, because we have teleworking policies in place to			
				ensure that those phones are answered. And so I will know			
				if for some reason there are crucial witnesses that can't			
				make it to the courthouse tomorrow.			
				I only live a mile away, so I fully anticipate			
				that I can get here, but you'll have to let me know if			
				you're having a problem. And by let me, I mean let the			
Page 7				Page 9			
P R O C E E D I N G S				court know.			
THE COURT: So the next case I am going to call is				I think based on what I am hearing in terms of the			
bankruptcy Case Number 25-30004, in re The Ruins. And this				order of testimony that we'll hear the expert witness today			
is a continued hearing on the issues that we wrapped up last				and then tomorrow, do you have a rough idea of who will be			
week. Well, we didn't wrap up. We're in the process of				testifying, Mr. Hushka?			
considering the motion to dismiss or convert that was filed				MR. HUSHKA: Your Honor, it would be potentially			
by Red River State Bank.				the completion of Mr. Luther if we haven't done that today.			
And we needed extra time before we go straight				I believe Ms. Daniele Harless, and then I don't believe			
into the evidence. I think I'd first like to take				we've made a final decision on whether or not we would need			
appearances so I know who's all here now that there aren't				Mr. Aarestad or Mr. Craig as additional witnesses, but those			
very many people in the courtroom. So let's begin first				two or one and a half for sure.			
with Debtor. Who's appearing on behalf of Debtor?				THE COURT: Okay. Do you anticipate that the			
MR. VERSTANDIG: Good afternoon, Your Honor. I'm				representatives or their employees and/or representatives of			
Maurice VerStandig on behalf of Debtor. And I am joined by				Red River State Bank will be testifying in person?			
Christiana Cathcart, who is my co-counsel. The Debtor's				MR. HUSHKA: Your Honor, I believe we did put in a			
principal, Jesse Craig, should be present in the courtroom.				remote request already that this court approved depending on			
THE COURT: And he is. Okay. On behalf of Red				when the weather moves in. They will try to be here if			
River State Bank.				possible in person, but if not, I believe using the remote			
MR. HUSHKA: Good afternoon, Your Honor. Attorney				appearance that has been approved as a fallback.			
Drew Hushka appearing with Caren Stanley in person in the				THE COURT: So it would be my strong preference to			
courtroom. Co-counsel Kesha Tanabe is appearing via Zoom.				hear that testimony in person from representatives of Red			
We have the representatives from Red River State Bank with				River State Bank and from Mr. Craig. So if we run into some			
us as well. And I see our expert is already on the Zoom as				weather issues, those are the witnesses I would like you to			
well.				postpone until the very end. And if it means some logistics			
THE COURT: Okay. On behalf of Watertown				in terms of having the Debtor present expert testimony in			

Page 10	Page 12
<p>1 between.</p> <p>2 Credibility is always important, but it seems to</p> <p>3 be particularly important in the context of some of the</p> <p>4 witnesses in this particular case. And so while I am happy</p> <p>5 to accommodate expert witness testimony by video conference,</p> <p>6 it would be my strong preference to hear representatives of</p> <p>7 either party in person.</p> <p>8 So if you could visit, you know, after we're</p> <p>9 finished today or whenever is convenient for you about how</p> <p>10 to order those, you know, in terms of whose turn it will be,</p> <p>11 I'd certainly appreciate that.</p> <p>12 MR. HUSHKA: Understood, Your Honor. Thank you.</p> <p>13 THE COURT: Yeah. Thank you. I have to let you</p> <p>14 know that tomorrow I have a final pretrial conference at</p> <p>15 10:00 a.m. I can't reschedule it, so we're just going to</p> <p>16 take a short morning break. I can't imagine that it would</p> <p>17 take longer than 15-20 minutes tops. There will be no</p> <p>18 hearings on Wednesday.</p> <p>19 So if we don't finish, then I am going to look to</p> <p>20 you to make a suggestion tomorrow after talking to each</p> <p>21 other and your witnesses about when might be the best day.</p> <p>22 I think we had some conversation about that last week, but I</p> <p>23 can't remember what we settled.</p> <p>24 MR. HUSHKA: I think we had talked about a week</p> <p>25 from today, Your Honor, the Monday after the Thanksgiving</p>	<p>1 MR. HUSHKA: Thank you, Your Honor. Red River</p> <p>2 State Bank would call Joshua Luther.</p> <p>3 THE COURT: Okay. I am going to have you remain</p> <p>4 seated but raise your right hand and the clerk will swear</p> <p>5 you in.</p> <p>6 CLERK: Please state your name for the record.</p> <p>7 THE WITNESS: Joshua Luther.</p> <p>8 CLERK: Do you solemnly swear that the testimony</p> <p>9 you are about to give in this case will be the truth, the</p> <p>10 whole truth, and nothing but the truth, so help you God?</p> <p>11 THE WITNESS: I do.</p> <p>12 WHEREUPON,</p> <p>13 JOSHUA LUTHER,</p> <p>14 called as a witness, and having been first duly sworn to</p> <p>15 tell the truth, the whole truth, and nothing but the truth,</p> <p>16 was examined and testified as follows:</p> <p>17 THE COURT: You may proceed.</p> <p>18 MR. HUSHKA: Thank you, Your Honor.</p> <p>19 DIRECT EXAMINATION OF JOSHUA LUTHER</p> <p>20 BY MR. HUSHKA:</p> <p>21 Q Good afternoon, sir. Can you please state your</p> <p>22 name, spelling your last name for the record?</p> <p>23 A Joshua Luther, L-U-T-H-E-R.</p> <p>24 Q Did you attend high school, sir?</p> <p>25 A Yes.</p>
Page 11	Page 13
<p>1 holiday, but that was kind of penciled in and nothing inked,</p> <p>2 so to speak.</p> <p>3 THE COURT: Okay. I am just going to look at my</p> <p>4 calendar real quick. Yeah. Monday the 1st of December is</p> <p>5 wide open for me. If that still works for your witnesses,</p> <p>6 that would work for me. Yeah. Okay. So I will look to you</p> <p>7 to confirm that tomorrow for sure. All right. I think that</p> <p>8 covers everything on my list. Anything further before we</p> <p>9 begin with the testimony?</p> <p>10 MR. HUSHKA: Not from Red River, Your Honor.</p> <p>11 THE COURT: On behalf of Debtors?</p> <p>12 MR. VERSTANDIG: Your Honor, nothing from the</p> <p>13 Debtor other than to note that I anticipate our case will be</p> <p>14 relatively brief but will likely involve three witnesses.</p> <p>15 THE COURT: Relatively brief and then I missed the</p> <p>16 other part of your sentence.</p> <p>17 MR. VERSTANDIG: I anticipate we'll probably be</p> <p>18 calling three witnesses. I anticipate two of them will be</p> <p>19 in the 10- to 15-minute range, and one might push closer to</p> <p>20 half an hour.</p> <p>21 THE COURT: That's terrific. I won't hold you to</p> <p>22 that, though, because I find that so hard to believe. I</p> <p>23 might time you just, you know, for setting a record or</p> <p>24 something. All right. Mr. Hushka, you can call your next</p> <p>25 witness.</p>	<p>1 Q Where at?</p> <p>2 A I started at Washington High School, transferred</p> <p>3 to Sioux Falls Christian and graduated from Sioux Falls</p> <p>4 Christian.</p> <p>5 Q When did you graduate, sir?</p> <p>6 A 1995.</p> <p>7 Q What did you do after graduating high school?</p> <p>8 A I started at South Dakota State University in my</p> <p>9 four-year undergraduate degree. And then transferred to</p> <p>10 Black Hills State University after that and graduated from</p> <p>11 Black Hills State University.</p> <p>12 Q What degree did you obtain from Black Hills State?</p> <p>13 A Business Administration.</p> <p>14 Q When was that?</p> <p>15 A December of 1999.</p> <p>16 Q Did you attend any schooling after Black Hills</p> <p>17 State?</p> <p>18 A I obtained a master's degree from Colorado</p> <p>19 Technical University from its Sioux Falls campus.</p> <p>20 Q And when did you obtain that degree?</p> <p>21 A That would have been, oh boy, approximately 2005.</p> <p>22 I want to say. I don't have that in front of me.</p> <p>23 Q Do you hold any professional licenses?</p> <p>24 A I have a certified general license in the State of</p> <p>25 South Dakota, State of Minnesota, State of Iowa, and State</p>

<p style="text-align: right;">Page 14</p> <p>1 of Nebraska.</p> <p>2 Q General license for what?</p> <p>3 A It's for appraising real property.</p> <p>4 Q What were the licensure requirements for those</p> <p>5 states, generally speaking?</p> <p>6 A Generally, it's an approximate three-year process</p> <p>7 that combines a minimum number of credit hours that we need</p> <p>8 -- of classes that we need to take that have been approved</p> <p>9 by the state and pass. And then also exams for each of</p> <p>10 those classes that we need to pass. There's also a final</p> <p>11 exam that we need to pass. And we also have to meet -- we</p> <p>12 have to perform a certain number of hours underneath another</p> <p>13 licensed appraiser who supervises all our work during that</p> <p>14 period of time as well.</p> <p>15 Q Have you ever been subject to any disciplinary</p> <p>16 procedures as it relates to any of those licenses?</p> <p>17 A No, sir.</p> <p>18 Q Have you ever been subject to a disciplinary</p> <p>19 procedure as it relates to a court proceeding?</p> <p>20 A No.</p> <p>21 Q I will talk to your work experience and background</p> <p>22 a little bit. Can you provide me an overview of your</p> <p>23 current position and employer?</p> <p>24 A I currently work with CBRE. CBRE is the -- is a</p> <p>25 global commercial real estate firm and is the largest</p>	<p style="text-align: right;">Page 16</p> <p>1 A Yes, sir.</p> <p>2 Q Is that what you consider The Ruins to be?</p> <p>3 A Yes.</p> <p>4 Q Are you familiar with the Watertown real estate</p> <p>5 market? Watertown --</p> <p>6 A Yes.</p> <p>7 Q -- South Dakota?</p> <p>8 A Yes.</p> <p>9 Q How so?</p> <p>10 A It's within my normal area of practice where we</p> <p>11 provide service for our clients. And so any appraisal</p> <p>12 assignments or requests that we're hired to do in Watertown,</p> <p>13 we travel up there, inspect the property, and complete the</p> <p>14 assignment. So over the course of my career, I've been to</p> <p>15 Watertown many times, and have looked at -- studied</p> <p>16 demographics and other market data over the course of my</p> <p>17 time as an appraiser.</p> <p>18 Q Speaking of your prior time as an appraiser, have</p> <p>19 you provided expert testimony before?</p> <p>20 A Not in court. No.</p> <p>21 Q Have you ever worked as an expert for Red River</p> <p>22 State Bank before this?</p> <p>23 A Not prior to this assignment. No.</p> <p>24 Q Do you have any connection to Red River State Bank</p> <p>25 that would influence or prejudice your opinions in this</p>
<p style="text-align: right;">Page 15</p> <p>1 commercial real estate firm in the world, actually. I</p> <p>2 manage the Sioux Falls office, and I have two staff</p> <p>3 appraisers who work underneath me. We cover a large</p> <p>4 territory for the company and do appraisals on a daily basis</p> <p>5 for the company in the states that I am licensed in.</p> <p>6 Q When did you start working at CBRE?</p> <p>7 A Approximately 2017, I believe.</p> <p>8 Q Have you held any other positions with CBRE?</p> <p>9 A No.</p> <p>10 Q I believe you did, but -- kind of went over this,</p> <p>11 but your current job duties and responsibilities on a day-</p> <p>12 to-day basis, so to speak?</p> <p>13 A On a day-to-day basis, we are performing appraisal</p> <p>14 assignments for clients all day, every day. And then also,</p> <p>15 I supervise the work that the staff appraisers complete</p> <p>16 underneath me. I answer any questions that they have,</p> <p>17 review their work, and field calls from clients, answer</p> <p>18 questions from clients, those types of things.</p> <p>19 Q Approximately how many appraisals have you</p> <p>20 completed in your career?</p> <p>21 A It's probably been -- I would estimate, it's been</p> <p>22 in the thousands, probably over 1,500 assignments over the</p> <p>23 course of my career.</p> <p>24 Q Have any of those appraisals been of mixed-use,</p> <p>25 multifamily, mid-high-rise buildings?</p>	<p style="text-align: right;">Page 17</p> <p>1 case?</p> <p>2 A No.</p> <p>3 Q Prior to this case, have you ever worked as an</p> <p>4 expert for the Vogel Law Firm?</p> <p>5 A No.</p> <p>6 Q Any connection to the Vogel Law Firm that would</p> <p>7 have an influence in this case?</p> <p>8 A No.</p> <p>9 Q Have you ever worked as an expert for Jesse Craig,</p> <p>10 The Ruins, LLC, or any entity owned by Mr. Craig?</p> <p>11 A No.</p> <p>12 Q Any connection with any of those that would</p> <p>13 influence you?</p> <p>14 A No.</p> <p>15 Q Ever worked as an expert for the Dakota Bankruptcy</p> <p>16 Firm, Mr. VerStandig or Ms. Cathcart?</p> <p>17 A No.</p> <p>18 Q Any connection with any of those that would</p> <p>19 influence you in this case?</p> <p>20 A No, sir.</p> <p>21 Q Mr. Luther, how did you first learn about The</p> <p>22 Ruins, LLC?</p> <p>23 A We were first hired in 2021 to appraise the</p> <p>24 property as proposed. It did not exist at that time.</p> <p>25 Q Do you remember who contacted you?</p>

Page 18	Page 20
<p>1 A It would have been a representative of Red River 2 State Bank. I believe Michael Martin, I think was his name. 3 Q What information were you provided at that time? 4 A We were provided kind of the typical information 5 that banks will provide us when they hire us to do an 6 assignment. So floor plan drawings, cost budget, pro forma 7 income and expense statement, and things of that nature. 8 Q Were you formally retained? 9 A Yes. We were hired. Yes. 10 Q Okay. And what was your specific assignment when 11 you were retained? 12 A We were asked to provide an opinion of value for 13 the subject property, or The Ruins property, in its as- 14 stabilized condition in the as-complete condition. And then 15 we also provide an as-is value conclusion as well, which is 16 a FIRREA requirement. 17 Q You provided multiple reports as it relates to 18 this property. Are you retained separately each time or is 19 that one overarching retainer agreement? 20 A It's a separate contract for each assignment. So 21 we are hired for one assignment at a time. And when we 22 complete that assignment, we get paid and then that 23 essentially goes away, and the process repeats each time. 24 Q Okay. You just said that you are paid. So you 25 are paid for your services as it relates to this matter?</p>	<p>1 This may take a moment since I am springing this on her. I 2 didn't give her pre-advisory on that. Please let me know, 3 Mr. Luther, when you can see that document on your screen. 4 THE WITNESS: Okay. I can see the beginning of 5 that document now. 6 THE COURT: All right. Perfect. Do you recognize 7 that document? 8 THE WITNESS: Yes. I do. I have to scroll down 9 so I can see the title. There we go. Yep. I recognize 10 that. 11 BY MR. HUSHKA: 12 Q What is that document? 13 A That's the appraisal that we completed for Red 14 River State Bank in 2021. 15 MR. HUSHKA: All right. Now, I believe my friend 16 on the other side is willing to stipulate to this exhibit. 17 I guess I will put that to him. Mr. VerStandig? 18 MR. VERSTANDIG: Just for one moment. Okay. If I 19 am not being difficult, I thought we were stipulating to the 20 July 20, 2022 one, but if the Court gives me one moment, I 21 suspect we may be able to stipulate to this. 22 THE COURT: Okay. You have a moment. 23 MR. VERSTANDIG: Thank you. Apologies. I wasn't 24 trying to spring that on you, Mac. I thought Caren thought 25 it was this one. What's the documentary that we're looking</p>
Page 19	Page 21
<p>1 A That's correct. Yes, sir. 2 Q All right. Is that on an hourly basis? Is that a 3 flat fee, or what does your compensation package look like? 4 A We're compensated on a -- we bid on a flat-fee 5 price for each assignment. We're not allowed to provide a 6 compensation that's per -- you know that's dependent upon 7 the outcome of the appraisal. So we always bid on a flat- 8 fee basis for that reason. 9 Q So is your compensation in this case at all 10 determined by the outcome of this case? 11 A No, sir. 12 MR. HUSHKA: Your Honor, at this time I would 13 offer Mr. Luther as an expert in the field of commercial 14 real estate appraisal. 15 THE COURT: Any objection? 16 MR. VERSTANDIG: Your Honor, very briefly on voir 17 dire. 18 THE COURT: Yes. Thank you. 19 MR. VERSTANDIG: Mr. Luther, has any federal, 20 state, or tribal court ever denied you recognition as an 21 expert witness? 22 THE WITNESS: No. 23 MR. VERSTANDIG: Your Honor, no objection. 24 THE COURT: The court will recognize this expert 25 witness. If I could have the court staff pull up ECF 95-1.</p>	<p>1 at? 2 THE COURT: 95-1. 3 MR. VERSTANDIG: I say this respectfully. I am 4 not sure I believe that. Maybe. Hold on. I am looking at 5 the Bates stamp, so I think it's 95-1. Are you in 6 Generations by accident, maybe? 7 THE COURT: I may be in the wrong case. All 8 right. I am repairing this. Oh, it's all three of them. 9 MR. VERSTANDIG: Yes. A, B, and C. 10 THE COURT: Okay. 11 MR. VERSTANDIG: Yes. We will stipulate. 12 THE COURT: Thank you. 13 MR. VERSTANDIG: Yes. B is the one that I thought 14 it was, and A and C are fine. We will stipulate to 15 admissibility. 16 THE COURT: Okay. The court receives 95-1. 17 MR. HUSHKA: Thank you, Your Honor. 18 BY MR. HUSHKA: 19 Q If we were to turn to the bottom of Page 3, are 20 there signatures on that page, sir? 21 A Yes. 22 Q Who are those signatures from? 23 A The first signature is from Scott Mosbach, who was 24 a senior appraiser with CBRE at that time. Chris Jenkins is 25 the other signature, and he is our regional director and my</p>

<p style="text-align: right;">Page 22</p> <p>1 direct boss.</p> <p>2 Q And if we scroll to the next page, is there</p> <p>3 another signature?</p> <p>4 A Yes. That is my signature.</p> <p>5 Q Okay. And what did you attest to by signing this</p> <p>6 document?</p> <p>7 A That I am taking responsibility for the contents</p> <p>8 of the report.</p> <p>9 Q Do you know when this report was created?</p> <p>10 A Yes. It was done in May of 2021, bearing the</p> <p>11 timestamp at the top.</p> <p>12 Q And do you know what the status of The Ruins</p> <p>13 development was in May 2021?</p> <p>14 A At the time, the site, there was a building on the</p> <p>15 site that had been demolished, and there are some</p> <p>16 photographs in this report that provide a visual description</p> <p>17 of what that property looked like on the day that we</p> <p>18 inspected it, but essentially was unimproved land at that</p> <p>19 time.</p> <p>20 Q If we were to scroll back up to Page 2 of this</p> <p>21 report, do you know how big The Ruins development project</p> <p>22 was supposed to be when completed?</p> <p>23 A Let's see here. It shows 4,162 square feet of</p> <p>24 commercial retail space, but I am not seeing the size of the</p> <p>25 apartments on this first page.</p>	<p style="text-align: right;">Page 24</p> <p>1 undeveloped, that value represents the land value. The as-</p> <p>2 complete value reflects the property and its with all</p> <p>3 construction complete, but prior to having any tenant</p> <p>4 occupancy in the property, so zero percent occupancy.</p> <p>5 Construction's all done, but it's not occupied. And</p> <p>6 then, the as-stabilized value reflects the value of it fully</p> <p>7 stabilized based on our estimated stabilized occupancy rate</p> <p>8 that is described in the report or identified in the report.</p> <p>9 Q How long does it take a building to stabilize or</p> <p>10 what do you use to determine that?</p> <p>11 A We look at a variety of factors. We're looking at</p> <p>12 changing demographics. So for example, you know, what is</p> <p>13 the population growth forecasted to be? And then, we</p> <p>14 attempt to drill that down to determine what percentage of</p> <p>15 the population are going to need apartment units.</p> <p>16 We also interview or can interview local market</p> <p>17 participants that would be knowledgeable as such. It could</p> <p>18 be local real estate developers or local real estate</p> <p>19 brokers. We can use other projects that we've completed in</p> <p>20 the Watertown area that we have -- that are, you know,</p> <p>21 retained in our work file that are confidential that don't</p> <p>22 show up in the report.</p> <p>23 And then, we also look at third-party providers</p> <p>24 that give us market data such as CoStar that provide market</p> <p>25 analytic data for us to look at.</p>
<p style="text-align: right;">Page 23</p> <p>1 Q How many units?</p> <p>2 A I will have to -- they go to the 63.</p> <p>3 Q And would the total square footage be included</p> <p>4 somewhere else in this report, perhaps the executive</p> <p>5 summary?</p> <p>6 A Yes. That's correct.</p> <p>7 Q All right. Were those sizes used in reaching the</p> <p>8 valuation for this property?</p> <p>9 A Yes.</p> <p>10 Q And does this page that we're looking at, Page 2,</p> <p>11 provide a top-line overview of what the valuation was for</p> <p>12 The Ruins?</p> <p>13 A Yes. It does.</p> <p>14 Q And what are those values?</p> <p>15 A It shows an as-is value as of May 4, 2021, which</p> <p>16 was the date of inspection, for \$520,000. The as-complete</p> <p>17 value was estimated at \$10,730,000, and that is as of the</p> <p>18 effective date of June 4, 2022. And the as-stabilized value</p> <p>19 was estimated at \$11,140,000 as of the effective date of</p> <p>20 March 4, 2023.</p> <p>21 Q Can you explain for the Court what the as-is</p> <p>22 appraisal is or kind of differentiate between these three?</p> <p>23 A Sure. The as-is value reflects our opinion of</p> <p>24 value the day that we inspect the property. In this case,</p> <p>25 because there was no building present and it was essentially</p>	<p style="text-align: right;">Page 25</p> <p>1 MR. HUSHKA: If I can have the Court scroll down</p> <p>2 to Page 10 of this document.</p> <p>3 BY MR. HUSHKA:</p> <p>4 Q I want to just walk through, Mr. Luther, a few of</p> <p>5 these various categories that the Court should look at this</p> <p>6 document further, understand what's being outlined there.</p> <p>7 And can you explain what this section is?</p> <p>8 A This is the executive summary section, which kind</p> <p>9 of hits the highlights of the property characteristics and</p> <p>10 corresponding reconciled values.</p> <p>11 Q Can you provide a brief summary for the Court of</p> <p>12 what is all provided in the executive summary?</p> <p>13 A So for example, the property name and location,</p> <p>14 the client who hires us will identify the parcel number if</p> <p>15 one has been assigned to it. We'll also summarize the</p> <p>16 highest and best use conclusions. We also will summarize</p> <p>17 the day that we inspect the property in our opinion of</p> <p>18 exposure and marketing time, identify the zoning that's</p> <p>19 associated with the property.</p> <p>20 And then other important improvement characteristics</p> <p>21 such as building size, year built, average unit size, total</p> <p>22 number of units, who your likely buyer is.</p> <p>23 And then, it gets into our financial indicator section,</p> <p>24 which kind of summarizes the income characteristics of the</p> <p>25 property that are developed in the income capitalization or</p>

<p style="text-align: right;">Page 26</p> <p>1 income approach to value.</p> <p>2 So and then, below that, on the following page, we'll</p> <p>3 summarize the value conclusions from each valuation</p> <p>4 technique and then the reconciled values at the very bottom</p> <p>5 of the values that we reconcile to.</p> <p>6 Q Anything in particular that you believe should be</p> <p>7 highlighted for the Court in this section that you haven't</p> <p>8 gone over?</p> <p>9 A No.</p> <p>10 Q All right.</p> <p>11 A No.</p> <p>12 Q Can we turn to Page 15, and can you identify for</p> <p>13 the Court what this section is, sir?</p> <p>14 A This is the scope of work section, which kind of</p> <p>15 identifies the scope of work that we use to develop our</p> <p>16 opinion of value or values. So it goes through and</p> <p>17 identifies what the intended use of the report is, who our</p> <p>18 client is, who the intended users are for the report. It</p> <p>19 identifies the purpose of the appraisal.</p> <p>20 We define the value that we're -- opinion that we're</p> <p>21 giving here. So it includes that definition of value.</p> <p>22 Below that is the interest appraised section. So this will</p> <p>23 identify the property rights that are appraised for the</p> <p>24 assignment. It also identifies how we identify the</p> <p>25 property. So some various sources that we use to identify</p>	<p style="text-align: right;">Page 28</p> <p>1 kind of a high level view of the area that the property is</p> <p>2 located. It gives a -- kind of a brief summary of some of</p> <p>3 the demographic information. Obviously, it shows a map</p> <p>4 there and just kind of gives a general overview of the -- in</p> <p>5 this case, the Watertown market.</p> <p>6 Q If we were to go to Page 21, can you explain what</p> <p>7 that section is?</p> <p>8 A This section is the neighborhood analysis. So</p> <p>9 this kind of drills down a little bit further. So within</p> <p>10 the area analysis, we're identifying kind of a specific area</p> <p>11 within that that we consider the neighborhood area, which is</p> <p>12 more in close proximity to the subject property.</p> <p>13 So again, we're talking about specific -- generally</p> <p>14 identifying specific land uses that happen in the area, if</p> <p>15 it's fully built up or if it's a growing area. And then,</p> <p>16 there's also some additional demographic information that's</p> <p>17 specific to the neighborhood that is identified here.</p> <p>18 Q If we were to jump down to Page 26, can you</p> <p>19 summarize what that section is?</p> <p>20 A This is the site analysis section. So this</p> <p>21 section identifies all the important characteristics</p> <p>22 surrounding the site or the land. So it gets into the site</p> <p>23 size, the zoning, parcel ID number, whether or not it's</p> <p>24 located in a floodplain. And then our ratings of its</p> <p>25 visibility, functional utility, observed traffic counts, and</p>
<p style="text-align: right;">Page 27</p> <p>1 the data. We talk about how or what we did for the property</p> <p>2 inspections or kind of summarizing how we inspected the</p> <p>3 property.</p> <p>4 And then, also the data that we research for the</p> <p>5 assignment is itemized in that type and extent of data</p> <p>6 research section. Beyond that, is the data. There's</p> <p>7 another table with the data sources of information that</p> <p>8 we're collecting and where it came from.</p> <p>9 And then, the final appraisal methodology section talks</p> <p>10 about the various ways to value a property and then how --</p> <p>11 you know, why we considered or completed certain valuation</p> <p>12 techniques --</p> <p>13 Q If you were --</p> <p>14 A -- for the assignment.</p> <p>15 Q -- to scroll up slightly back to that table on</p> <p>16 data sources, the building area you have is provided plans.</p> <p>17 Can you explain what that means?</p> <p>18 A Yeah. That simply means that we were provided</p> <p>19 floor plan drawings and that we rely on those to develop or</p> <p>20 identify the building size and then the various size</p> <p>21 characteristics such as unit mix and unit size, and those</p> <p>22 things.</p> <p>23 Q We can go down to Page 19. Can you explain what</p> <p>24 that section is, sir?</p> <p>25 A Page 19, that is the area analysis. So this is</p>	<p style="text-align: right;">Page 29</p> <p>1 then also utilities that are provided to the site. And if</p> <p>2 there's any kind of unusual easements or encumbrances, we'll</p> <p>3 identify those here as well if they're present.</p> <p>4 Q If we jump to Page 31, can you summarize that</p> <p>5 section?</p> <p>6 A This is the improvement analysis section. So this</p> <p>7 section describes all of the site improvements on the land.</p> <p>8 So this would be any buildings that are constructed on the</p> <p>9 site and also any site improvements such as parking lots,</p> <p>10 landscaping, those things.</p> <p>11 So this first table here that you have got, are showing</p> <p>12 is highlighting the characteristics of the building that is</p> <p>13 proposed to be constructed on the site. So again,</p> <p>14 summarizes its expected size, unit mix, average unit size,</p> <p>15 some important characteristics of the property, you know,</p> <p>16 amenities of that property that are expected, what type of</p> <p>17 parking it has, the year built, and total economic life, and</p> <p>18 effective age, and those.</p> <p>19 And then, below that would be a unit mix table that</p> <p>20 identifies the anticipated unit mix and its as complete</p> <p>21 condition.</p> <p>22 Q If we were to jump to Page 36, what does that</p> <p>23 section depict?</p> <p>24 A This is the zoning section. So this simply</p> <p>25 summarizes the zoning that encumbers the property and</p>

<p style="text-align: right;">Page 30</p> <p>1 identifies what type of uses are permitted within that 2 zoning district. And then, we also offer an opinion on if 3 the proposed improvements are expected to conform with those 4 zoning requirements. 5 Q Jumping down to the Page 38, what is this section? 6 A This is the tax and assessment data section which 7 summarizes the property's either current and or projected 8 property assessment, and then its corresponding real estate 9 tax liability. 10 Q Going on to Page 40, what is this market analysis 11 section? 12 A So the market analysis section takes in a lot of 13 kind of macro, both macroeconomic information and then also 14 information that's specific to the local market. So this 15 first section is the macroeconomic section which is more on 16 kind of a national basis of what's happening nationally. 17 And then, we get down to more of a local analysis of 18 what's happening with the market segment of the subject. So 19 if you scroll down, I don't know, it's going to be a few 20 pages through this. This is all kind of the national 21 information. This just kind of gives a high-level overview 22 of what's going on in the economy. That's kind of the 23 intent of the macro. 24 And then the -- and then it gets into the multifamily 25 market segment which is specific to -- this is the market</p>	<p style="text-align: right;">Page 32</p> <p>1 productivity. So we go through those four steps to identify 2 what is the use that is legally possible, physically 3 possible, the use that is financially feasible, and the use 4 that creates the -- that is the most productive use. 5 In other words, kind of the highest return to the land 6 in income. So we do that for the site and then we also do 7 it in the as-improved condition as well. 8 Q If we were to jump to Page 62, what is the land 9 value section? 10 A This section begins the analysis of comparable 11 land sales to -- that we use to value or come up with our 12 opinion of the underlying land value. 13 Q Jumping to Page 66, cost approach. Can you 14 summarize for the Court what's contained therein? 15 A Yep. So the cost approach is the section where we 16 estimate what is the cost to build the proposed site 17 improvements to the site. And we consider -- can consider 18 multiple sources here for this assignment. We considered 19 Marshall Valuation Service, which is a national cost service 20 estimation company that provides us data that we formulate 21 our own kind of independent opinion of what we think the 22 property will cost to build. 23 And then, we also typically get the developer's cost 24 estimate of what they expect the project to cost. And that 25 will be identified, I think, on the next page after this.</p>
<p style="text-align: right;">Page 31</p> <p>1 segment that the subject -- one of the market segments that 2 the subject property is expected to compete in. It's the 3 primary market segment since most of the income is generated 4 by multifamily units. 5 So this particular section that you have got showing on 6 the screen is more of a national level analysis of the 7 multifamily market. And then, if you continue to scroll 8 down, we'll have more local multifamily data that's more 9 specific to the Watertown market. 10 Q Is all of that data informing your opinions 11 regarding valuations? 12 A Yes. We -- all of that information is considered 13 in our development of opinion of all of the opinions of 14 value. 15 Q If we were to jump to Page 60, what is the highest 16 and best use portion of this report? 17 A Yeah. So this section identifies what we think 18 that the highest and best use of the property is. And we're 19 supposed to look at it on an as-vacant basis and as as- 20 improved because they can be different depending upon the 21 circumstances. 22 So in this case, we start with the as vacant, we talk 23 about what's -- what are the legally permissible uses, what 24 are the uses that are also physically possible, and then we 25 get into kind of financial feasibility and maximum</p>	<p style="text-align: right;">Page 33</p> <p>1 Nope, that's the continuing with the Marshall valuation cost 2 estimate. So this section here, this summarizes the 3 budgeted construction cost. 4 And then, we also for this assignment used cost 5 comparables. So other properties that were similar in 6 composition of the subject that we've appraised, and we have 7 cost information that's retained in file. We also consider 8 those and compare it to the developer's estimate. 9 So we -- after we look at all of those, we come down 10 and reconcile to a final cost estimate for what we think is 11 going to cost the property to -- or to build the property. 12 And then, we apply any applicable depreciation to that cost 13 estimate. 14 And then, the cost approach conclusion section 15 summarizes those calculations. So it will summarize what 16 our reconciled construction cost is, any applicable 17 depreciation, and then adds the land value to develop a 18 total value indicated by the cost approach. 19 Q So in the cost approach, if the estimate is that 20 the building is more expensive to build, what does that do 21 to the ultimate conclusion as to value, if anything? 22 A Well, ultimately, you know, the cost has to be 23 supported by the market. So we're -- and this is one reason 24 why we do different approaches to value. So the sales 25 approach and income approach are testing the financial</p>

<p style="text-align: right;">Page 34</p> <p>1 feasibility of the construction cost.</p> <p>2 So the cost can go higher, could go higher. That</p> <p>3 doesn't necessarily translate to value as it will depend</p> <p>4 upon if those higher construction costs are supported by the</p> <p>5 market in terms of either higher market rents or comparable</p> <p>6 sales are -- that market participants pay more for because</p> <p>7 they cost more to build.</p> <p>8 Q So they're related, but there's not a direct</p> <p>9 correlation? Fair summary?</p> <p>10 A Yes. That's correct.</p> <p>11 Q If we were to go to the next page, Page 71, what</p> <p>12 is the sales comparison approach?</p> <p>13 A The sales comparison approach summarizes the</p> <p>14 comparable sales we've selected to value the subject</p> <p>15 property under this valuation technique. So we identify the</p> <p>16 comparable sales. We put together an adjustment grid that</p> <p>17 identifies the adjustments that we make to those sales and</p> <p>18 then reconcile to a value conclusion based on those</p> <p>19 comparable sales, and the adjustments that we make to them.</p> <p>20 Q On Page 77, there's a section titled income</p> <p>21 capitalization approach. What is that?</p> <p>22 A This section identifies the income characteristics</p> <p>23 of the property. So we look at the income characteristics</p> <p>24 of the property and translate that to value via the use of a</p> <p>25 capitalization or an overall cap rate. So this section is</p>	<p style="text-align: right;">Page 36</p> <p>1 title of the property because we're not title insurance</p> <p>2 companies. And so we have an assumption about, you know,</p> <p>3 the fact that we're assuming good and marketable title, for</p> <p>4 example. So these are kind of general assumptions that we</p> <p>5 use for every -- excuse me -- appraisal report that we do.</p> <p>6 Q Now, sir, I don't want the Court to think that I</p> <p>7 had no point of that. So are these sections that we just</p> <p>8 went over, are they the same from one report to the next?</p> <p>9 Are they consistent throughout? So I understand the numbers</p> <p>10 may change, but does the methodology and the source of data</p> <p>11 remain consistent from one report to the next?</p> <p>12 A Yes. They are consistent from one report to the</p> <p>13 next.</p> <p>14 Q So the cost analysis in this is going to be</p> <p>15 similar to or explanatory for the cost analysis in Reports</p> <p>16 2, 3, and 4?</p> <p>17 A Yes. It would be if the cost approach was</p> <p>18 completed.</p> <p>19 Q Okay. And the opinions that you have provided</p> <p>20 both in this report and testified to in the court here</p> <p>21 today, did you reach those opinions based on your training</p> <p>22 and experience in commercial real estate appraisal?</p> <p>23 A Yes, sir.</p> <p>24 Q And did you reach those opinions to a reasonable</p> <p>25 degree of certainty?</p>
<p style="text-align: right;">Page 35</p> <p>1 essentially developing our expected profit loss statement</p> <p>2 for the subject property when it's stabilized.</p> <p>3 And then, we convert that to an opinion of value</p> <p>4 through market extracted capitalization rates.</p> <p>5 Q If we were to go all the way down to Page 97,</p> <p>6 what's this section?</p> <p>7 A This is the reconciliation of value section. So</p> <p>8 this section kind of summarizes the value indicated from --</p> <p>9 the values that are indicated or developed from each</p> <p>10 valuation technique. So it just kind of recaptures or</p> <p>11 summarizes all of the different value conclusions. And</p> <p>12 then, we talk about which value or which valuation technique</p> <p>13 we think is most applicable in order to reconcile our final</p> <p>14 opinion of value.</p> <p>15 So it just talks about how we come to that final</p> <p>16 reconciled value with -- after looking at all of the three</p> <p>17 valuation techniques that we completed.</p> <p>18 Q And then, finally, if we were to jump to Page 99,</p> <p>19 what is this assumptions and limiting conditions portion?</p> <p>20 A So these assumptions and limiting conditions,</p> <p>21 these are standard assumptions that go in every appraisal</p> <p>22 report that we do. And this just kind of identifies to the</p> <p>23 client that it gives them a better idea of the scope of work</p> <p>24 that we are and aren't doing.</p> <p>25 You know so for example, we're not researching the</p>	<p style="text-align: right;">Page 37</p> <p>1 A Yes.</p> <p>2 MR. HUSHKA: All right. I'd like to proceed to</p> <p>3 the next report, ECF 95-2, if we could, please. I think</p> <p>4 it's going to be a whole separate document.</p> <p>5 BY MR. HUSHKA:</p> <p>6 Q Do you recognize that document, sir?</p> <p>7 A Yes. I do.</p> <p>8 Q And what is that document?</p> <p>9 A That is the appraisal we completed for Red River</p> <p>10 State Bank in 2022. So that would be the second appraisal</p> <p>11 that we did.</p> <p>12 MR. HUSHKA: I believe this is already indicated,</p> <p>13 but I guess we would offer the second appraisal report, ECF</p> <p>14 95-2.</p> <p>15 MR. VERSTANDIG: No objection to 95-2 or 95-3.</p> <p>16 MR. HUSHKA: We'll offer 95-3 as well then, Your</p> <p>17 Honor.</p> <p>18 THE COURT: The court receives 95-2 and 95-3.</p> <p>19 (Exhibits ECF 95-2 & ECF 95-3 were admitted</p> <p>20 into evidence.)</p> <p>21 BY MR. HUSHKA:</p> <p>22 Q All right. Sir, if we were to look at the bottom</p> <p>23 of Page 3, are there signatures there?</p> <p>24 A Yes.</p> <p>25 Q From whom?</p>

<p style="text-align: right;">Page 38</p> <p>1 A The first signature is from Matthew Johnson. He's</p> <p>2 a staff appraiser with CBRE. The second signature on the</p> <p>3 right is Michael Moyna. He, at that time, was the regional</p> <p>4 director of the Minneapolis area and is Matthew Johnson's</p> <p>5 direct supervisor. And then, my signature is at the bottom</p> <p>6 below those two.</p> <p>7 Q And what did you certify by signing this document?</p> <p>8 A I am agreeing to the -- you know, the results and</p> <p>9 conclusions, taking responsibility for the report.</p> <p>10 Q All right. If we were to scroll back up to the</p> <p>11 second page of this, does this report provide an appraised</p> <p>12 value for The Ruins development?</p> <p>13 A Yes. It does.</p> <p>14 Q Does it provide three in particular?</p> <p>15 A Yes.</p> <p>16 Q What are those three?</p> <p>17 A The first is the as-is value conclusion, and that</p> <p>18 was completed on July 12, 2022, and our value estimate or</p> <p>19 opinion of value is \$6,980,000.</p> <p>20 The as-complete value was concluded at \$11,740,000 as</p> <p>21 of the effective date of May 1, 2023. And then, the as-</p> <p>22 stabilized value was concluded at \$12,410,000 as of the</p> <p>23 effective date of September 1, 2023.</p> <p>24 Q Do you know what the status of the development of</p> <p>25 The Ruins was in July of 2022?</p>	<p style="text-align: right;">Page 40</p> <p>1 sales that we research are stabilized. And when we're</p> <p>2 developing our pro forma, we have good information about</p> <p>3 what market rents will be and operating expenses and such.</p> <p>4 And generally, we deduct the costs of -- lease-up costs</p> <p>5 from the stabilized value to get to the as-complete value.</p> <p>6 So I would say that the reason the as-complete value is</p> <p>7 higher is also because the as-stabilized value is higher or</p> <p>8 the lease-up costs anticipated with the development have</p> <p>9 decreased or changed from the previous report. I am not</p> <p>10 sure exactly which off the top of my head.</p> <p>11 Q Okay. This report also contains a market value</p> <p>12 conclusion regarding the net present value of TIF. Can you</p> <p>13 explain that? That wasn't in the previous report.</p> <p>14 A Yeah. So a TIF is an acronym for tax increment</p> <p>15 financing district. And occasionally, the clients will ask</p> <p>16 us to provide a value of that cash flow. And so they didn't</p> <p>17 request that the first appraisal. They did request it for</p> <p>18 this assignment. So that's why it wasn't in the first one.</p> <p>19 So it's strictly driven based on client need.</p> <p>20 But the net present value of the TIF is an opinion of</p> <p>21 the cash flow that is -- it's the cash flow that is either</p> <p>22 created by the tax increment financing district or some type</p> <p>23 of -- it may not be a cash flow. It may be, you know, an</p> <p>24 upfront cash payment. It depends on how the TIF is</p> <p>25 structured.</p>
<p style="text-align: right;">Page 39</p> <p>1 A At that time, it was under construction.</p> <p>2 Q Approximately how far along, if you have any idea,</p> <p>3 or?</p> <p>4 A Well, judging by the as-is value, you know, it was</p> <p>5 probably about 50 percent along. I don't know for sure, but</p> <p>6 that would be a rough estimate.</p> <p>7 Q All right. Speaking of the as-is value, that went</p> <p>8 up from 520,000 in May of 2021 to nearly 7 million in July</p> <p>9 of 2022. Can you explain for me the cause of that change?</p> <p>10 A Yeah. And that's primarily attributed to the fact</p> <p>11 that now they have been constructing and improving the site</p> <p>12 with the proposed improvements. So they have done a lot of</p> <p>13 work and added a lot of infrastructure and improvements to</p> <p>14 the property.</p> <p>15 Q The as-complete value changed as well, going up to</p> <p>16 11.7 million and change from 10.7 million. Can you explain</p> <p>17 to me the cause of that change?</p> <p>18 A So the as-is value, that is a value that is</p> <p>19 developed after the as-stabilized value is developed.</p> <p>20 Q The as-is or --</p> <p>21 A We develop the --</p> <p>22 Q -- the as-complete value?</p> <p>23 A Excuse me. The as-complete value. So we develop</p> <p>24 the as-stabilized value first, primarily because that is</p> <p>25 where our best source of information is. The comparable</p>	<p style="text-align: right;">Page 41</p> <p>1 But essentially, the tax increment financing district</p> <p>2 is set up by the city and/or county. And then, they provide</p> <p>3 some type of incentive or benefit to the developer to</p> <p>4 incentivize them to develop the project. And that usually</p> <p>5 creates a cash flow that has some value that can be assigned</p> <p>6 or sold in the secondary market.</p> <p>7 So we take that value or that cash flow and apply</p> <p>8 present value to the -- discounting to the cash flows to</p> <p>9 come up with a net present value for the client.</p> <p>10 Q Do you remember how the TIF was set up as it</p> <p>11 relates to The Ruins?</p> <p>12 A Off the top of my head, I do not. Generally, I</p> <p>13 believe there's a section in this report that should value</p> <p>14 the TIF. Usually it is a -- I believe it's -- I don't know</p> <p>15 if you can scroll to that section. There should be a</p> <p>16 dedicated section for valuing the TIF. But if I recall, I</p> <p>17 believe it's going to be, let's see here.</p> <p>18 It's probably going to -- it doesn't look like it's in</p> <p>19 the table of contents, but I am guessing it's probably near</p> <p>20 the reconciliation section. So towards the end of the</p> <p>21 report.</p> <p>22 Q Page 59.</p> <p>23 A Scroll down a little. Yeah. It's going to</p> <p>24 be a number of pages yet. We're still right in the middle</p> <p>25 of the income approach.</p>

<p style="text-align: right;">Page 42</p> <p>1 THE COURT: Can we do a word search?</p> <p>2 THE WITNESS: So there's the reconciliation that</p> <p>3 might be -- if you could scroll down, it might be at the --</p> <p>4 sometimes it's put in the -- there it is. Tax increment</p> <p>5 financing. So it's in the reconciliation section.</p> <p>6 BY MR. HUSHKA:</p> <p>7 Q Okay. And that's --</p> <p>8 A So here --</p> <p>9 Q -- outlines how it was calculated in this case?</p> <p>10 A That's right. So the cash flow that we expected</p> <p>11 that was generated from that TIF district is summarized and</p> <p>12 then added up to a net present value here.</p> <p>13 Q Okay. We've just scrolled through some of them,</p> <p>14 but does this report contain a number of similar sections to</p> <p>15 your prior report?</p> <p>16 A Yes. It does.</p> <p>17 Q All right. And similar methodology and data</p> <p>18 information?</p> <p>19 A Yes, sir.</p> <p>20 Q Anything in particular that you want to highlight</p> <p>21 for the Court in this report at this time?</p> <p>22 A No.</p> <p>23 Q Mr. Luther, the multiple opinions in this report</p> <p>24 and that you just testified to, did you reach those opinions</p> <p>25 utilizing your training and experience?</p>	<p style="text-align: right;">Page 44</p> <p>1 Q When was this report created approximately?</p> <p>2 A Let's see. It would have been -- scroll up for me</p> <p>3 -- October of 2023.</p> <p>4 Q What was the status of The Ruins development in</p> <p>5 October of 2023?</p> <p>6 A It was still under construction at that time.</p> <p>7 Q Does this page, if we scroll down slightly,</p> <p>8 provide appraised value opinions as to The Ruins?</p> <p>9 A Yes. It does.</p> <p>10 Q Are those as-is, as-complete, and as-stabilized</p> <p>11 the same categories as were provided in Reports 1 and 2?</p> <p>12 A Yes, sir.</p> <p>13 Q The value as-is of 9.9 million and change, can you</p> <p>14 provide for the increase from 6.9 million?</p> <p>15 A I would assume that it's because they have gotten</p> <p>16 further along in the construction. Typically, that's what</p> <p>17 it is a reflection of, that they have progressed further on</p> <p>18 the construction. So it's simply higher because of that.</p> <p>19 Q Okay. And then, if we were to go to -- you said</p> <p>20 the as-complete is a somewhat product of as-stabilization.</p> <p>21 So if we were to look at as-stabilization, the value was</p> <p>22 12.41 million in July of '22, and is now back down to 11.46</p> <p>23 in October of '23. Can you explain that decrease?</p> <p>24 A Can you go to the executive summary for me? Okay.</p> <p>25 So scroll down a little bit. So the capitalization rate</p>
<p style="text-align: right;">Page 43</p> <p>1 A Yes.</p> <p>2 Q And are you sure of them to a reasonable degree of</p> <p>3 certainty in your field?</p> <p>4 A Yes.</p> <p>5 MR. HUSHKA: Could I have the Court pull up the</p> <p>6 third appraisal report, ECF 95-3, which has also been</p> <p>7 accepted.</p> <p>8 BY MR. HUSHKA:</p> <p>9 Q Sir, do you recognize this document?</p> <p>10 A Yes. I do.</p> <p>11 Q And what is this document?</p> <p>12 A This is the appraisal report we prepared for Red</p> <p>13 River State Bank in 2023. So this would be the third</p> <p>14 report.</p> <p>15 Q If we were to turn to the bottom of Page 3, are</p> <p>16 there signatures?</p> <p>17 A Yes.</p> <p>18 Q Can you walk through those people quick, please?</p> <p>19 A First signature is Matthew Johnson. He's a staff</p> <p>20 appraiser with CBRE. Second signature is Michael Moyna, who</p> <p>21 is the regional director in our Minneapolis office. And</p> <p>22 then, the third signature is my signature.</p> <p>23 Q And what did you attest to by signing this</p> <p>24 document, if anything?</p> <p>25 A I take responsibility for the report.</p>	<p style="text-align: right;">Page 45</p> <p>1 looks like it, that that was higher, and that would be one</p> <p>2 of the primary drivers of a decrease in value would be a</p> <p>3 higher capitalization rate. The values are inverse to</p> <p>4 capitalization rates. So when a capitalization rate moves</p> <p>5 higher, values go lower.</p> <p>6 Q And how is the capitalization rate calculated for</p> <p>7 you? Or how do you calculate it, I guess maybe a more</p> <p>8 artful way?</p> <p>9 A Yeah. So they're extracted from the market, and</p> <p>10 it's simply a ratio of income to value. So the mathematical</p> <p>11 formula is taking the net operating income that's stabilized</p> <p>12 and dividing it into the corresponding sale price. So it's</p> <p>13 just a ratio. So we extract that from comparable sales to</p> <p>14 help us convert our NOI to value when we do the income</p> <p>15 approach.</p> <p>16 Q So you asked to look at the executive summary to</p> <p>17 answer my questions. Would it be fair that if the Court's</p> <p>18 wanting to look at a quick summary, compare the executive</p> <p>19 summaries from one report to the next? Do you hear me, Mr.</p> <p>20 Luther?</p> <p>21 A Oh, yes. No, I am sorry. I didn't realize you</p> <p>22 were asking me. Yes. That would be reasonable to compare</p> <p>23 the two.</p> <p>24 Q Okay. Any other portions of this report that you</p> <p>25 want to highlight for the Court?</p>

<p style="text-align: right;">Page 46</p> <p>1 A No.</p> <p>2 Q And are the methodologies and data in this report</p> <p>3 similar and consistent to the methodologies and data in</p> <p>4 Reports 1 and 2?</p> <p>5 A Yes.</p> <p>6 Q And did you reach the opinions in this report and</p> <p>7 that you testified to based on your training and experience?</p> <p>8 A Yes.</p> <p>9 Q And to a reasonable degree of certainty?</p> <p>10 A Yes.</p> <p>11 MR. HUSHKA: All right. If I could finally have</p> <p>12 the Court pull up ECF 59 beginning on Page 4.</p> <p>13 BY MR. HUSHKA:</p> <p>14 Q Do you recognize that document, sir?</p> <p>15 A Yes. I do.</p> <p>16 Q What is that document?</p> <p>17 A This is the appraisal report that I prepared for</p> <p>18 Red River State Bank in, let's see, it would have been,</p> <p>19 scroll down here, July of 2025.</p> <p>20 Q If we were to go to Page 6, is that your</p> <p>21 signature?</p> <p>22 A Yes. It is.</p> <p>23 Q And what did you attest to, if anything, by</p> <p>24 signing this report?</p> <p>25 A That I take responsibility for the assignment and</p>	<p style="text-align: right;">Page 48</p> <p>1 BY MR. HUSHKA:</p> <p>2 Q Do you see that, sir?</p> <p>3 A Yes. I do.</p> <p>4 Q If we walk through this, will it help explain some</p> <p>5 of the decrease in values for the three evaluations?</p> <p>6 A Yeah. Scroll down just a touch. So first --</p> <p>7 MR. HUSHKA: But before we get into that, sir, can</p> <p>8 I have the Court pull up, in a side-by-side comparison, the</p> <p>9 executive summary from 95-3, the third report? Four,</p> <p>10 please. 95-3, number -- Part 4. That would be Page 8 of</p> <p>11 this one. You have to pull the tab out from the address</p> <p>12 bar, I think.</p> <p>13 BY MR. HUSHKA:</p> <p>14 Q All right. Sir, do you see your third report</p> <p>15 executive summary on the left and your fourth report</p> <p>16 executive summary on the right?</p> <p>17 A Yes. I do.</p> <p>18 Q All right. The first line or category is Property</p> <p>19 Name. Do you see that?</p> <p>20 A Yes. I do.</p> <p>21 Q What is that?</p> <p>22 A The Ruins on the left, and then on the right is</p> <p>23 The Ruins Apartments.</p> <p>24 Q Any reason for the change, or what does the</p> <p>25 property name describe?</p>
<p style="text-align: right;">Page 47</p> <p>1 the contents therein.</p> <p>2 Q Is this the most recent report that you prepared</p> <p>3 as it relates to The Ruins?</p> <p>4 A Yes.</p> <p>5 Q If we were to go back up to Page 5, does that</p> <p>6 provide your most recent opinions as to the value of The</p> <p>7 Ruins?</p> <p>8 A Yes.</p> <p>9 Q All right. What is your opinion as to the as-is</p> <p>10 value of The Ruins?</p> <p>11 A The as-is opinion of value was estimated at or</p> <p>12 concluded at \$4,520,000 as of May 6, 2025.</p> <p>13 Q Can you explain the significant decrease down from</p> <p>14 9.9?</p> <p>15 A Yes. So again, the as-is value is developed</p> <p>16 similar to the as-complete value where we're -- we develop</p> <p>17 the -- or excuse me, the as-stabilized value gets developed</p> <p>18 first. We deduct the lease-up costs and costs associated</p> <p>19 with stabilization from the as-stabilized value to get to</p> <p>20 the as-complete value.</p> <p>21 And then, from the as-complete value, we're</p> <p>22 deducting whatever costs there are to finish construction</p> <p>23 completion to arrive at the as-is value.</p> <p>24 MR. HUSHKA: If I can have the Court jump to Page</p> <p>25 13. The executive summary.</p>	<p style="text-align: right;">Page 49</p> <p>1 A No. It's just our internal name that we give to</p> <p>2 the property to help us remember what type of property we're</p> <p>3 working on. So it's -- there was no material reason for</p> <p>4 that difference.</p> <p>5 Q Okay. Location, what does that describe, the next</p> <p>6 one down?</p> <p>7 A Location is typically the physical mailing address</p> <p>8 that's assigned to the property.</p> <p>9 Q Did that remain the same from Reports 3 to 4?</p> <p>10 A Yes.</p> <p>11 Q Next category is Parcel Numbers. What does that</p> <p>12 describe?</p> <p>13 A That's the tax identification number that's</p> <p>14 assigned by the county to the subject property.</p> <p>15 Q And did that remain the same?</p> <p>16 A Yes. That remained the same.</p> <p>17 Q The next category is Client. What is that</p> <p>18 category?</p> <p>19 A That identifies the client for each assignment,</p> <p>20 and it happens to be the same for both, Red River State</p> <p>21 Bank.</p> <p>22 Q And highest and best use, what does that describe?</p> <p>23 A Summarizes our opinion of what the highest and</p> <p>24 best use is for the property in its as-vacant condition and</p> <p>25 also as-improved.</p>

<p style="text-align: right;">Page 50</p> <p>1 Q All right. If we were to jump down to estimated 2 exposure time, what does that describe?</p> <p>3 A So the exposure time is the amount of time that we 4 expect it to be required to be on the market for a sale to 5 happen. Exposure time is -- I will just remember here, look 6 at my notes. Exposure time is prior to the effective date 7 of value, and marketing time --</p> <p>8 MR. VERSTANDIG: Hold on. Objection. I don't 9 know what the witness is looking at.</p> <p>10 THE COURT: Yeah. I don't either.</p> <p>11 MR. HUSHKA: I don't either. So, Mr. Luther, if 12 you can turn over anything you have on your desk so you 13 aren't looking at anything that we aren't --</p> <p>14 THE WITNESS: Oh.</p> <p>15 MR. HUSHKA: -- looking at the same time.</p> <p>16 THE WITNESS: Yep. No problem.</p> <p>17 MR. VERSTANDIG: Thank you, Your Honor.</p> <p>18 THE COURT: Okay. Yeah. I will just invite you 19 from now on to make sure that you're not looking at any 20 notes or exhibits outside from those displayed by the Court. 21 Okay?</p> <p>22 THE WITNESS: Okay. I apologize. I didn't 23 realize that.</p> <p>24 THE COURT: Yeah. Not everybody does. Thank you.</p> <p>25 BY MR. HUSHKA:</p>	<p style="text-align: right;">Page 52</p> <p>1 a wheel when I was there during my on-site inspection.</p> <p>2 Q So am I reading this report correctly that the 3 building was built smaller than the initial plans that you 4 reviewed?</p> <p>5 A Yes.</p> <p>6 Q What effect, if any, generally speaking, does a 7 smaller building have on the valuation?</p> <p>8 A Generally, all else being equal, a smaller 9 building is less valuable.</p> <p>10 Q Why is that?</p> <p>11 A Well, it cannot -- it produces generally less 12 income if it's an income-producing property because it has 13 less rentable area.</p> <p>14 Q And if you charge rent on a square-footage basis, 15 what would that do?</p> <p>16 A It decreases the total rent that you can achieve 17 with the property.</p> <p>18 Q So again, all things being equal, are you able to 19 charge and produce greater income on a bigger building?</p> <p>20 A Yes. On a bigger building, all else being equal, 21 you're typically able to charge for more income, generate 22 more income.</p> <p>23 Q If we were to look at the average unit size line 24 item, do you see that?</p> <p>25 A Yes. I do.</p>
<p style="text-align: right;">Page 51</p> <p>1 Q All right. If we were to compare the two reports, 2 one is six months while one is six to twelve months. Can 3 you explain any significance of that, if any?</p> <p>4 A Generally, we're just forming -- giving our 5 opinion of how much time we expect it to take. Sometimes we 6 express that in a range and sometimes we express it in a 7 single point. And in this case, there really isn't much 8 difference between those two. You just have a range 9 expressed in one report and a single point in time in the 10 other.</p> <p>11 Q All right. If we were to jump down to 12 Improvements, do you see that category?</p> <p>13 A Yes. I do.</p> <p>14 Q The first three subcategories are the same, so I 15 want to begin with gross building area. Do you see that?</p> <p>16 A Yes. I do.</p> <p>17 Q To be blunt, is the building smaller in the fourth 18 report than it was believed to be in the third report?</p> <p>19 A Yes.</p> <p>20 Q Why did you believe that the building is smaller 21 in the fourth report compared to the third?</p> <p>22 A We were provided different architectural drawings 23 for the most recent report.</p> <p>24 Q Were there measurements taken as well?</p> <p>25 A Yes. I measured the exterior of the building with</p>	<p style="text-align: right;">Page 53</p> <p>1 Q Does that differ from one report to the other?</p> <p>2 A Yes.</p> <p>3 Q How is it? Is it bigger or smaller for the most 4 recent report?</p> <p>5 A It is smaller for the most recent report.</p> <p>6 Q Would that have an effect on your valuation 7 calculations?</p> <p>8 A Yes. It would.</p> <p>9 Q What effect?</p> <p>10 A All else being equal, it would decrease.</p> <p>11 Q Why?</p> <p>12 A The apartment units are smaller, therefore, gross 13 monthly income would go down, again, all else being equal.</p> <p>14 Q And again, similar question to before, how did you 15 get the unit size for the most recent report as opposed to 16 the prior reports?</p> <p>17 A That was developed based on the architectural 18 drawings provided to us for that assignment.</p> <p>19 Q And then, bottom line, does losing over 8 percent 20 of square footage per residential unit affect your valuation 21 for the development?</p> <p>22 A Yes.</p> <p>23 Q How so?</p> <p>24 A The property has less rentable area to charge 25 rent, so your total income that the property can produce has</p>

<p style="text-align: right;">Page 54</p> <p>1 decreased.</p> <p>2 Q Focusing next on the financial indicators</p> <p>3 category, you have a subcategory called stabilized</p> <p>4 occupancy. What does that describe?</p> <p>5 A That is the occupancy that the property achieves</p> <p>6 to be considered, you know, stabilized or equivalent to what</p> <p>7 the market around it is experiencing.</p> <p>8 Q It was 96 percent in the prior report and is now</p> <p>9 down to 93.5. Can you explain for me that difference?</p> <p>10 A Yeah. And that's generally because there had been</p> <p>11 some softening in occupancy between the third assignment on</p> <p>12 the left and the fourth assignment on the right.</p> <p>13 Q What does the softening of the market do to</p> <p>14 valuation?</p> <p>15 A It is a -- all else being equal, decreases the</p> <p>16 value.</p> <p>17 Q Why is that?</p> <p>18 A In this case, when occupancy declines, there is</p> <p>19 less revenue. So again, all else being equal, less revenue</p> <p>20 is -- results in a lower value.</p> <p>21 Q There's a line item called overall capitalization</p> <p>22 rate. Do you see that one, sir?</p> <p>23 A Yes.</p> <p>24 Q What is that?</p> <p>25 A That is the property -- our estimate of what the</p>	<p style="text-align: right;">Page 56</p> <p>1 most recent report?</p> <p>2 A Based on current market conditions from multiple</p> <p>3 data sources at the time.</p> <p>4 Q Can you describe those market conditions and/or</p> <p>5 data sources?</p> <p>6 A Excuse me. So we've got CoStar analytic</p> <p>7 information that is in the report and also demographic</p> <p>8 analysis that we look at. So I believe in the report on the</p> <p>9 right -- well, in general, those are the things that we're</p> <p>10 looking at in determining the lease-up period.</p> <p>11 Q Next section is pro forma operating data. What is</p> <p>12 that?</p> <p>13 A That is our projection of the stabilized income</p> <p>14 characteristics of the property.</p> <p>15 Q The first subcategory, effective gross income.</p> <p>16 Can you expound on that?</p> <p>17 A So the effective gross income is the income that's</p> <p>18 expected to be collected by the property after vacancy and</p> <p>19 credit loss happens. So this is the actual income that they</p> <p>20 are able to generate. With stabilized occupancy.</p> <p>21 Q And how is that calculated for the most recent</p> <p>22 report?</p> <p>23 A It is -- well, we start with estimating potential</p> <p>24 gross income for all rent areas of rentable areas of the</p> <p>25 property. And then, we deduct vacancy and credit loss to</p>
<p style="text-align: right;">Page 55</p> <p>1 capitalization rate would be applied to the subject property</p> <p>2 if exposed to the market. And the overall capitalization</p> <p>3 rate is a ratio of income to value. So that number is</p> <p>4 developed based on market-extracted information and</p> <p>5 estimated for the subject property.</p> <p>6 Q And I believe you testified prior that the number</p> <p>7 is inversely related to the valuation.</p> <p>8 A That is correct. So in this case --</p> <p>9 Q I was going to say, can you expand on that a</p> <p>10 little, please?</p> <p>11 A Sure. Yeah. So in this case, the appraisal on</p> <p>12 the left, the third appraisal, the capitalization rate was</p> <p>13 lower. When you apply a lower capitalization rate to the</p> <p>14 same income, it results in a higher indication of value. So</p> <p>15 on the appraisal to the right, having the capitalization</p> <p>16 rate increase, again, all else being equal, when you apply a</p> <p>17 higher cap rate to the same income, value is affected</p> <p>18 negatively or goes down.</p> <p>19 Q I skipped over a line item, estimated lease-up</p> <p>20 period. What is that line?</p> <p>21 A That is our estimation of how much time it would</p> <p>22 take to stabilize the property. So basically, it's how much</p> <p>23 time from construction completion to when it achieves the</p> <p>24 stabilized occupancy identified in the report.</p> <p>25 Q And how did you reach your 24-month opinion in the</p>	<p style="text-align: right;">Page 57</p> <p>1 get to effective gross income.</p> <p>2 Q Was that methodology the same as in the prior</p> <p>3 report?</p> <p>4 A Yes.</p> <p>5 Q Same as in 1, 2, and 3?</p> <p>6 A Yes.</p> <p>7 Q Does that affect the ultimate valuation?</p> <p>8 A Yes. On an income-producing property, the income</p> <p>9 characteristics affect the value.</p> <p>10 Q And how does the effective gross income affect the</p> <p>11 value?</p> <p>12 A In this, I guess maybe clarify, you're talking</p> <p>13 about the most recent report?</p> <p>14 Q Yes.</p> <p>15 A Yeah. So that's just a summary of the -- of what</p> <p>16 we think that the total income the property can produce</p> <p>17 after occupancy. So you know the higher that effective</p> <p>18 gross income is, the more income is available to makes the</p> <p>19 property more valuable. And the lower that number is makes</p> <p>20 it less valuable, all else being equal.</p> <p>21 Q The next line item is operating expenses. Do you</p> <p>22 see that?</p> <p>23 A Yes.</p> <p>24 Q What goes into that subcategory?</p> <p>25 A So the operating expenses are detailed in the</p>

<p style="text-align: right;">Page 58</p> <p>1 income approach in the report.</p> <p>2 Q Property insurance?</p> <p>3 A Yes. Property insurance.</p> <p>4 Q Utilities?</p> <p>5 A Yes.</p> <p>6 Q Repairs and maintenance?</p> <p>7 A Yes.</p> <p>8 Q Management fees?</p> <p>9 A Yes.</p> <p>10 Q Payroll?</p> <p>11 A Yes.</p> <p>12 Q Advertising?</p> <p>13 A Yes.</p> <p>14 Q Reserves?</p> <p>15 A Yes.</p> <p>16 Q What about debt service?</p> <p>17 A No.</p> <p>18 Q What about payments to builders that haven't been</p> <p>19 paid out yet?</p> <p>20 A No.</p> <p>21 Q Any payments to the WDC included in there?</p> <p>22 A No.</p> <p>23 Q Any payments to whatever state bank included in</p> <p>24 there?</p> <p>25 A No.</p>	<p style="text-align: right;">Page 60</p> <p>1 a calculation made for as-completed or is that not done</p> <p>2 until an as-stabilized income?</p> <p>3 A That shows the as-stabilized income.</p> <p>4 Q So that 41,000 per month would not be captured</p> <p>5 until, in your estimation, two years after completion of</p> <p>6 this project?</p> <p>7 A Correct.</p> <p>8 Q And during that interim 24 months, would the</p> <p>9 property be expected to be making more or less than \$41,000</p> <p>10 a month?</p> <p>11 A Prior to the as-stabilized effective date, it</p> <p>12 would be generating something less. Depends on where in the</p> <p>13 time continuum it is.</p> <p>14 Q Turning now to the valuations here in your most</p> <p>15 recent report, you provide two valuations for as-is. Do you</p> <p>16 see those?</p> <p>17 A Yes. I do.</p> <p>18 Q What are those two different approaches?</p> <p>19 A The sales comparison approach and income</p> <p>20 capitalization approach.</p> <p>21 Q How did you decide to ultimately use the income</p> <p>22 approach in valuing The Ruins?</p> <p>23 A Well, multifamily or mixed-use properties like the</p> <p>24 subject all have tenants. And the once-stabilized, your</p> <p>25 primary buyer is going to be an investor. And investors are</p>
<p style="text-align: right;">Page 59</p> <p>1 Q The net operating income line, is that a product</p> <p>2 of the gross income minus operating expenses?</p> <p>3 A Yes. Effective gross income less operating</p> <p>4 expenses equals net operating income.</p> <p>5 Q Now, is that expressed as a monthly calculation or</p> <p>6 an annual calculation in your report?</p> <p>7 A These figures that we're looking at here are</p> <p>8 expressed on an annual basis.</p> <p>9 Q If I were --</p> <p>10 THE COURT: I'm sorry. You're going to have to --</p> <p>11 did you say annual? I didn't hear.</p> <p>12 THE WITNESS: Yes. They're expressed on an annual</p> <p>13 basis.</p> <p>14 THE COURT: Annual. Thank you.</p> <p>15 THE WITNESS: On this particular table that is</p> <p>16 showing in the report on the right-hand side.</p> <p>17 BY MR. HUSHKA:</p> <p>18 Q So that \$495,060 is approximately \$41,000 and</p> <p>19 change per month?</p> <p>20 A I would assume so. I can't do math in my head</p> <p>21 that quick, but it sounds right.</p> <p>22 Q And so that would be effective \$41,000 left for</p> <p>23 The Ruins to pay any debt services needed?</p> <p>24 A Yeah. Yes.</p> <p>25 Q Is that number, the net operating income, is that</p>	<p style="text-align: right;">Page 61</p> <p>1 heavily concerned with the income characteristics of the</p> <p>2 property and the cash flow it generates in determining or</p> <p>3 formulating their opinion of value, and what they're willing</p> <p>4 to pay.</p> <p>5 Q You also provide two valuations for a as-complete</p> <p>6 value.</p> <p>7 A Yes. That's correct.</p> <p>8 Q What are those two approaches?</p> <p>9 A The sales comparison approach and income approach.</p> <p>10 Q I guess same question. Why did you choose to go</p> <p>11 with the income approach for as-complete?</p> <p>12 A Same answer. Typical buyer is going to place most</p> <p>13 weight on the income approach.</p> <p>14 Q Are there also two valuations for the stabilized</p> <p>15 value?</p> <p>16 A Yes.</p> <p>17 Q What were those two approaches?</p> <p>18 A Sales comparison approach and income approach.</p> <p>19 Q Which one do you believe provided a more accurate</p> <p>20 valuation for The Ruins?</p> <p>21 A The income approach.</p> <p>22 Q Why is that?</p> <p>23 A Again, because I believe the most likely buyer is</p> <p>24 an investor who's going to give primary weight to its income</p> <p>25 characteristics.</p>

<p style="text-align: right;">Page 62</p> <p>1 Q Now, sir, I don't know if we'll have to go through 2 this all, but assuming that we won't here momentarily, are 3 there any sections of this report that you believe should be 4 highlighted for the Court that you want to go over at this 5 time? 6 A No. 7 Q Mr. Luther, the multiple opinions that we just 8 discussed with respect to this report, did you reach those 9 opinions utilizing your training and experience? 10 A Yes. 11 Q And did you reach those to a reasonable degree of 12 certainty? 13 A Yes. 14 MR. HUSHKA: Your Honor, at this time, we would 15 offer Exhibit ECF 59, pages 4 through 170, the most recent 16 appraisal report. 17 MR. VERSTANDIG: Not an objection. 18 THE COURT: No objection? 19 MR. VERSTANDIG: No objection, Your Honor. 20 THE COURT: The Court receives Exhibit 59, pages 4 21 through 170. 22 (Exhibit ECF 59 was admitted 23 into evidence.) 24 MR. HUSHKA: No further questions at this time, 25 Your Honor.</p>	<p style="text-align: right;">Page 64</p> <p>1 report? 2 A Yes. This would be the map of where they're 3 located approximately. 4 Q Okay. And if, and I am not asking the clerk to do 5 so at the moment, if the clerk were to scroll down, the next 6 several pages would be data sets that correlate to each of 7 those, correct? 8 A Yes. That's correct. 9 MR. VERSTANDIG: And I think actually, Madam 10 Clerk, if you could scroll right back up to that page. 11 Perfect. Down one. I am sorry. 12 BY MR. VERSTANDIG: 13 Q These would be the eight comparable properties you 14 used, correct? 15 A Yes. 16 Q And these are sales from December of '23 through 17 March of '25. 18 A Yes. 19 Q Nebraska, Iowa, Minnesota, and South Dakota, 20 correct? 21 A Yes. That looks right. 22 Q Good. Now, none of these are from Watertown, 23 South Dakota. 24 A Correct. 25 Q Okay. When was the last sale of a mixed-use</p>
<p style="text-align: right;">Page 63</p> <p>1 THE COURT: Okay. I would like to take just a -- 2 how about 10 minutes before we hear from cross examination. 3 So how about we just resume at 4:40? 4 MR. VERSTANDIG: Thank you, Your Honor. 5 CLERK: All rise. 6 (Off the record.) 7 THE COURT: Okay. We're back on the record with 8 bankruptcy Case Number 25-30004 of The Ruins. And when we 9 broke, we were getting ready for cross examination. So Mr. 10 VerStandig? 11 MR. VERSTANDIG: Thank you, Your Honor. 12 CROSS EXAMINATION OF JOSHUA LUTHER 13 BY MR. VERSTANDIG: 14 Q Mr. Luther, what is a comparable sale? 15 A It's a property that would be considered similar 16 to the property that we're appraising that has sold in the 17 marketplace. 18 MR. VERSTANDIG: Madam Clerk, could we please go 19 to -- keeping both of them up side by side, because we're 20 going to reference both, but could we please go to Page 61 21 of Docket Entry 59? And could you kindly scroll just a 22 little bit? Perfect. 23 BY MR. VERSTANDIG: 24 Q Mr. Luther, is this a visual depiction of the 25 comparable sales that you used in crafting your most recent</p>	<p style="text-align: right;">Page 65</p> <p>1 apartment building in Watertown, South Dakota? 2 A One that's comparable to the subject or any? 3 Q Any of which you're aware. 4 A I am not sure how to answer your question. Off 5 the top of my head, I don't know. 6 Q Okay. 7 A I do know that I researched to see if there was 8 anything recent that would be comparable and nothing was 9 recent. So within that timeframe of the comparable sales 10 that we selected, I didn't identify anything recent in 11 Watertown. 12 Q Are you familiar with a property called The Lofts? 13 A Yes. I believe that's in the report. I believe 14 it's in the report as a rent comparable. It would be a -- I 15 don't know if you need to see it, but I believe I used it as 16 a rent comparable in the report. So a summary of that 17 property is in the report. 18 It's another project downtown Watertown. 19 Q Why did you not use it as a sales comparable? 20 A I was not aware that it sold. 21 Q It sold in March of 2024, didn't it? 22 A If you say so. I was not aware of it. 23 Q Okay. Would The Lofts be a good comparable if it 24 had in fact sold in 2024? 25 A Yes.</p>

<p style="text-align: right;">Page 66</p> <p>1 Q Okay. Your latest appraisal removes the TIF 2 valuation. Why is that? 3 A We weren't asked to provide it, so -- 4 Q Now -- 5 A -- we don't do it if we're not asked. 6 Q Previously, and we can pull this up if you'd like, 7 I believe the TIF had been valued at \$1.8 million in your 8 2022 appraisal. Does that sound accurate to you? 9 A I believe so. 10 Q Okay. Why would you exclude an asset component 11 with a value of \$1.8 million? 12 A It's run separate from the real estate or can be 13 separated so, and it's a wasting asset. So it's different 14 than the real estate component. And so typically, when 15 we're doing an assignment for properties that are in a TIF, 16 we go off of client instructions on if they want to include 17 it or not. 18 In this case, it was not required for us to include it 19 in the report. 20 Q So to be clear, the bank asked for it to be 21 included in 2022, correct? 22 A Correct. 23 Q And the bank asked for it not to be included in 24 your most recent report, correct? 25 A To the best of my knowledge. Yes.</p>	<p style="text-align: right;">Page 68</p> <p>1 for this assignment and they don't need it, so. 2 Q You had already valued the TIF in this case. So 3 presumably it wouldn't have been a ton more work to include 4 it in your latest appraisal, right? 5 A I suppose that's true. Yes. 6 Q By the way, your first three appraisals each have 7 three signatures. It's your signature and those of two 8 colleagues of yours, correct? 9 A That's correct. 10 Q And your latest appraisal's just your signature, 11 right? 12 A Yes. 13 Q Why is that? 14 A So the last or the most recent appraisal was one 15 that I prepared and did exclusively on my own. And the 16 previous reports were completed with the help of the signing 17 appraisers. So if there's duties that are assigned to other 18 appraisers that are licensed, that they will sign the report 19 to take responsibility for that. 20 So it's simply a matter of this most recent 21 report. I just did completely on my own without the aid of 22 other internal staff appraisers here in our company. 23 MR. VERSTANDIG: Madam Clerk, on the left side of 24 the screen, could we please go to Page 8? And on the right 25 side of the screen, could we please go to Page 13? And</p>
<p style="text-align: right;">Page 67</p> <p>1 Q Okay 2 A That's correct. 3 Q You said it can be separated from the property, 4 right? 5 A Typically, the cash flows can be assigned and sold 6 to a third party. 7 Q Do you have any reason to believe the TIF in this 8 case has been separated from the property? 9 A I don't have any reason to believe it is or isn't. 10 I don't know. 11 Q How often do you perform four appraisals of a 12 single asset in a four-year time span. 13 A Not real often. I mean it happens, but it's not 14 the bulk of the work that we do. 15 Q Have you ever had a client ask you to include a 16 TIF in one appraisal and then remove it from a subsequent 17 appraisal before? 18 A Usually. Yeah. I mean we've included it or 19 excluded it based on, you know, at the time. Generally, 20 when I am quoting an appraisal, somebody comes and asks us 21 what we want or what our fee is to do an appraisal. If I 22 know that they want us to value the TIF, that's more work 23 for me to value the TIF. And so I bid differently based on 24 the TIF. And then, sometimes the client decides it is 25 relevant and they want to include it or it's not relevant</p>	<p style="text-align: right;">Page 69</p> <p>1 could you scroll down a little bit on both of them toward 2 the bottom of the pages? Up a little bit, I am sorry, Page 3 13. Thank you. 4 BY MR. VERSTANDIG: 5 Q Now, you see the stabilized occupancy rate, Mr. 6 Luther? 7 A Yes. I do. 8 Q Why did that drop from 96 percent to 93-1/2 9 percent? 10 MR. HUSHKA: Objection. 11 THE WITNESS: Yeah. So we're looking at -- 12 MR. HUSHKA: Asked and answered. 13 THE COURT: So this is tricky with 14 videoconferencing. There was an objection. So I am glad 15 that you completely stopped. The objection was that it's 16 been asked and answered. Response, Mr. VerStandig? 17 MR. VERSTANDIG: I believe there was a high level 18 discussion of the variance between the two, but there wasn't 19 a specific identification of the cause that invited a 2.5 20 percent drop in the projection for stabilized occupancy. 21 THE COURT: I am going to allow the witness to 22 answer again or embellish either way. 23 THE WITNESS: So in the most recent report, in the 24 income approach section where we go through all of these 25 income characteristics, the stabilized occupancy is</p>

Page 70	Page 72
<p>1 developed using sources referenced there. So it is simply a 2 function of changes in market conditions from one report to 3 the next as to how that changes. 4 Because that comes from generally third-party 5 providers that provide us analytical information about the 6 status of the market. 7 BY MR. VERSTANDIG: 8 Q Are you familiar with two buildings known as 9 Parkside and Generations? 10 A Yes. 11 Q Are you familiar that they're both currently 12 debtors in bankruptcy in this court? 13 A No. I was not. 14 Q Okay. Did you have -- and are they both located 15 in Watertown, South Dakota? 16 A Yes. 17 Q From a rental perspective, are they comparable to 18 what Ruins would be upon completion? 19 A Yes. I believe that I use them as rent 20 comparables in my most recent report. 21 Q Okay. If they are at or near 100 percent, 22 would that suggest -- 23 MR. HUSHKA: Objection, Your Honor -- 24 MR. VERSTANDIG: -- a hybrid -- 25 MR. HUSHKA: Assumes facts not in evidence.</p>	<p>1 occupancy, the higher the value, correct? 2 A All else being equal, that would be true. Yes. 3 Q You had spoken generally about, and probably more 4 than generally, I think you named some specifically, about 5 the data sources you used. Did you use any market studies 6 conducted by the City of Watertown in drafting either of the 7 reports that are on the screen? 8 A Not in my recollection. No. 9 Q And do you still believe that a 24-month lease-up 10 period is the appropriate metric for this property? 11 A That was my opinion on the day that I wrote that 12 report, the most recent report. Yes. 13 Q Almost five months ago, though. 14 A I do not have the information in front of me to 15 formulate any opinions at this time. 16 Q Well, let's be clear about this. Are these your 17 opinions as of July of 2025 or as of today? 18 A They're as of the day I wrote the report or issued 19 the report. So the date of the report, I believe, is July 20 2025. 21 Q Okay. And the report on the left is from 2022, 22 correct? 23 A I can't see the date on that. I thought that was 24 in 2023, the most recent report. 25 Q I believe you are correct. I apologize for the</p>
Page 71	Page 73
<p>1 MR. VERSTANDIG: I actually think it is in 2 evidence. I believe Ms. Craig testified at the end of Day 3 2. Because we -- at the end of Day 2, we had the testimony 4 as to what rental revenue would be. And it was based on how 5 long it would take to achieve what has been achieved for 6 Parkside, what has been achieved for Generations and the 7 projection of numbers therefrom. 8 THE COURT: Did you say Ms. Craig or Mister? 9 MR. VERSTANDIG: Yes. Ms. Craig. 10 THE COURT: That's my memory as well. 11 MR. VERSTANDIG: Ms. Cathcart has asked the 12 question. 13 THE COURT: So I am going to overrule the 14 objection and allow the witness to testify. 15 THE WITNESS: Can you repeat the question for me? 16 I am sorry. 17 BY MR. VERSTANDIG: 18 Q If those properties are at or near 100 percent 19 rental rate, would that suggest an increase in stabilized 20 occupancy rate? 21 A It would be an indicator. They're not the only 22 properties in the market. So there are other considerations 23 to consider, but it's a data point or an indicator of how 24 the market's performing. 25 Q And just for clarity, the higher stabilized</p>	<p>1 error. It is 2023. So your estimated lease-up period 2 quadrupled over two years. 3 A Yes. If you say so, yes, it does. Yes. I can 4 see it now. Excuse me. 5 Q Does it not make sense then to sort of verify that 6 data almost half a year later? 7 A I was not asked to provide an opinion of value as 8 of today. I was asked to do it back in July of 2025, which 9 is what I did. 10 Q Now, the 2023 report contains a cost approach. Do 11 you remember that? 12 A Yes. 13 Q Okay. And if we go to Page 23 of the new report 14 on the right -- sorry, that was a bit of a fake out. It 15 actually discusses the cost approach, does it not? 16 A It does. 17 Q Why is there no cost approach appraisal in the new 18 report? 19 A I am not required to do one to provide credible 20 appraisal results. And in my reconciliation, I was of the 21 opinion that you're most likely buyer is an investor who 22 give primary consideration to the income approach. So I 23 elected to not do the cost approach for this most recent 24 assignment. 25 Q Well, on the left side, we're looking at the old,</p>

<p style="text-align: right;">Page 74</p> <p>1 your buyer profile is still an investor, is it not?</p> <p>2 A Yes. It is.</p> <p>3 Q But you still use the cost approach then?</p> <p>4 A We did. Keep in mind that I was not the only</p> <p>5 appraisal involved in those appraisal assignments. So there</p> <p>6 were other appraisers working on those assignments. And</p> <p>7 that was the lead appraiser decided to complete the cost</p> <p>8 approach in that assignment. And I felt it was reasonable</p> <p>9 to include it at that time.</p> <p>10 Q Did you have any communications with Red River</p> <p>11 State Bank or any agent thereof about including the cost</p> <p>12 approach in your new appraisal?</p> <p>13 A I believe I suggested that it wasn't necessary at</p> <p>14 the beginning of the engagement. I don't recall exactly,</p> <p>15 but I might have said something like I don't know that it's</p> <p>16 necessarily warranted to develop a credible opinion of</p> <p>17 value.</p> <p>18 MR. VERSTANDIG: Okay. Can we please go to Page</p> <p>19 14 of the new report on the right? And could we scroll down</p> <p>20 toward the bottom of the page? Thank you.</p> <p>21 BY MR. VERSTANDIG:</p> <p>22 Q I am going to read the last bullet point just sort</p> <p>23 of for clarity. It says, "The property has been partially</p> <p>24 finished with no construction activity occurring recently,</p> <p>25 and the developer has been in the local news due to the</p>	<p style="text-align: right;">Page 76</p> <p>1 appraised. So in this case, this section is SWOT analysis</p> <p>2 identifies potential strengths, opportunities, weaknesses or</p> <p>3 threats that exist in the market. It doesn't mean that they</p> <p>4 necessarily affect the property.</p> <p>5 So in this case, I didn't reflect any additional</p> <p>6 stigma, but I am recognizing or relaying to the client that</p> <p>7 there is a risk that it may be present.</p> <p>8 Q I am honestly not sure that I understand. You're</p> <p>9 saying it may be present in the market but not in the</p> <p>10 property?</p> <p>11 A Excuse me. Present or associated with the</p> <p>12 property because it is -- it would be specific to the</p> <p>13 property if it's underperforming.</p> <p>14 Q Are you aware of how other Watertown properties in</p> <p>15 bankruptcy have performed historically?</p> <p>16 A No.</p> <p>17 Q Have you done anything to investigate that?</p> <p>18 A No.</p> <p>19 Q Okay. The line above that says, "There are two</p> <p>20 other properties similar to the subject in the central</p> <p>21 business district that are currently operating below</p> <p>22 stabilized occupancy." Which two properties are you</p> <p>23 referring to?</p> <p>24 A Those would be the two properties in the income</p> <p>25 capitalization approach that were used as rent comparables.</p>
<p style="text-align: right;">Page 75</p> <p>1 recent bankruptcy filing and other historic construction</p> <p>2 delays. This increases the risk of the subject property</p> <p>3 having a negative stigma with local market participants or</p> <p>4 potential buyers." What is a bankruptcy stigma?</p> <p>5 A Well, any negative stigma can occur if a property</p> <p>6 is not performing how it should in the market. And so</p> <p>7 market participants may identify, you know, an opportunity</p> <p>8 to buy it at a discount or get it on the cheap. And so</p> <p>9 there's a risk of that. So we're identifying that that risk</p> <p>10 may exist in the market.</p> <p>11 Q How do you quantify that risk in terms of your</p> <p>12 appraisal?</p> <p>13 A Yeah. That's a good question. The -- quantifying</p> <p>14 something like that is extremely challenging. Most likely</p> <p>15 that would be quantified by interviewing market participants</p> <p>16 and getting their opinions as to what they felt would be an</p> <p>17 appropriate discount because of that stigma.</p> <p>18 Q Which market participants did you interview?</p> <p>19 A I didn't interview any for that particular</p> <p>20 characteristic.</p> <p>21 Q Okay. How did you go about applying that</p> <p>22 characteristic to your appraisal then?</p> <p>23 A Well, just because the characteristic or this is</p> <p>24 identified as a weakness or threat doesn't mean it</p> <p>25 necessarily exists with the subject property being</p>	<p style="text-align: right;">Page 77</p> <p>1 I believe they were the two properties you referenced</p> <p>2 earlier, but I'd have to go back and look at the rental</p> <p>3 survey in the income approach in my report to make that</p> <p>4 determination.</p> <p>5 Q Generations and --</p> <p>6 A So --</p> <p>7 Q -- Parkside being the two I referenced, correct?</p> <p>8 A I -- yes. I believe those are the two. It does -</p> <p>9 - I do identify the vacancy, there are identified vacancy at</p> <p>10 the time of the survey for each rent comparable and those</p> <p>11 are summarized in the income approach. So I am going from</p> <p>12 memory, excuse me. But I believe that those are the two</p> <p>13 that had below stabilized occupancy at the time of survey.</p> <p>14 Q Were you aware that those were two properties that</p> <p>15 had just recently been removed from receivership?</p> <p>16 A No.</p> <p>17 Q How does that observation impact the valuation of</p> <p>18 the property?</p> <p>19 A Again, it's another identified like weakness in</p> <p>20 the market that I am trying to make the client aware. In</p> <p>21 this case, I specifically referenced the lease-up period.</p> <p>22 So the more apartments or units that are vacant at the time</p> <p>23 of my survey, that's going to impact the lease-up period</p> <p>24 based on the demographic analysis and other analysis that we</p> <p>25 do to determine what a reasonable timeframe is for the</p>

<p style="text-align: right;">Page 78</p> <p>1 property to achieve stabilized occupancy.</p> <p>2 Because essentially, the subject property is competing</p> <p>3 with all the other properties in the market that have below</p> <p>4 stabilized occupancy for tenants. And they also compete for</p> <p>5 tenants as tenants roll over or move in and out of</p> <p>6 stabilized properties as well. So there's constant</p> <p>7 transitioning and churn that's happening.</p> <p>8 Q Could we please scroll to the next page on the</p> <p>9 right, Page 15, and the market volatility section? So this</p> <p>10 talk, I am going to read this a little bit. "President</p> <p>11 Trump's announcement of broad-based global tariffs on April</p> <p>12 2nd sent shockwaves through global financial markets.</p> <p>13 Potential impacts will depend on how long tariffs remain in</p> <p>14 place, and the extent to which retaliatory tariffs by other</p> <p>15 countries will impact the U.S. economy. The full economic</p> <p>16 effect of the tariffs is evolving and can result in slower</p> <p>17 growth as well as potential inflationary pressures."</p> <p>18 It then goes on, second sentence in the next paragraph</p> <p>19 to say, "The impacts on interest rates, the 10-year treasury</p> <p>20 yield, leasing activity, real estate demand, construction</p> <p>21 costs, availability of financing, and other values remain</p> <p>22 unclear." Do you see that?</p> <p>23 A I do. Yes.</p> <p>24 Q Okay. Let's talk about the impact on interest</p> <p>25 rates. Do you know what the Fed funds rate was on April 2nd</p>	<p style="text-align: right;">Page 80</p> <p>1 Q There's generally a correlation between a</p> <p>2 borrower's rate and the prime rate though, correct?</p> <p>3 A If the prime rate is another short-term interest</p> <p>4 rate, so it depends on what financial or what the objective</p> <p>5 of the borrower is. If they want a variable interest rate</p> <p>6 loan, then that loan will be priced off of a spread over</p> <p>7 prime. If they want a long-term fixed rate loan, then in</p> <p>8 many cases, banks may price that differently, and use a</p> <p>9 longer-term fixed benchmark as their cost of funds, like a</p> <p>10 10-year treasury or a federal home loan bank, you know, cost</p> <p>11 of funds to them. So --</p> <p>12 Q And 10-year Treasury was 4.13 percent on April</p> <p>13 2nd, right?</p> <p>14 A Okay. I will believe that that's correct. I</p> <p>15 don't have that in front of me.</p> <p>16 Q And it was 4.11 percent at the close of last week.</p> <p>17 MR. HUSHKA: Objection, Your Honor. He's</p> <p>18 testifying at this point. I don't know if he's asking the</p> <p>19 Court to take judicial notice of the various rates, which we</p> <p>20 certainly happen to do since it was 4.25 in April of '25 and</p> <p>21 up to 4.5 in July of '25.</p> <p>22 MR. VERSTANDIG: 4.28 in July of '25 if you use</p> <p>23 the second, which is the date of the report, but 4.13 on</p> <p>24 April 2nd and 4.11 as of the close of last Friday. I think</p> <p>25 the bigger point, though, is --</p>
<p style="text-align: right;">Page 79</p> <p>1 when the tariffs were announced?</p> <p>2 A Off the top of my head, I do not. I know that</p> <p>3 they were -- that the Fed was in a position of decreasing</p> <p>4 rates or the Fed funds rate between the 2023 report and the</p> <p>5 most recent report.</p> <p>6 Q Would it refresh your recollection if I suggested</p> <p>7 that on April 2nd, the Fed funds rate was 4.37 percent and</p> <p>8 that as of today, it's 3.88 percent?</p> <p>9 A Sure. I will believe you on that. Yes.</p> <p>10 Q All right. So the Fed funds rate has actually</p> <p>11 gone down.</p> <p>12 A Correct.</p> <p>13 Q Okay. And am I correct that the prime rate was</p> <p>14 7.5 percent on April 2nd and is 7 percent today?</p> <p>15 A I will assume that those figures are correct. I</p> <p>16 don't have those in front of me.</p> <p>17 Q All right. And a decrease in interest rates would</p> <p>18 actually make the building more valuable, not less valuable,</p> <p>19 correct?</p> <p>20 A All else being equal, a decrease in interest rates</p> <p>21 would have an impact on what buyers and sellers -- or what</p> <p>22 buyers are willing to pay because of financing terms. The</p> <p>23 Fed funds rate is a short-term overnight rate that's</p> <p>24 different from the borrowing rates that the borrower secures</p> <p>25 from the bank, so.</p>	<p style="text-align: right;">Page 81</p> <p>1 THE COURT: Okay. Just a minute.</p> <p>2 MR. VERSTANDIG: -- the expert --</p> <p>3 THE COURT: The point of the objection is that</p> <p>4 you're testifying, and so that is sustained. If you want me</p> <p>5 to take judicial notice of the rates, I am going to need</p> <p>6 something other than the recitation of counsel.</p> <p>7 MR. VERSTANDIG: I will work on something for</p> <p>8 tomorrow, Your Honor.</p> <p>9 THE COURT: Okay.</p> <p>10 BY MR. VERSTANDIG:</p> <p>11 Q Mr. Luther, how familiar are you with these</p> <p>12 benchmarks that you reference in your report?</p> <p>13 A You know I am familiar with the benchmarks. I</p> <p>14 can't rattle them off the top of my head, but when I am</p> <p>15 researching and preparing an appraisal report, we will look</p> <p>16 at them on the computer screen and, you know, take their</p> <p>17 movement and a part of the overall picture.</p> <p>18 Q All right. Without my testifying this time, is it</p> <p>19 your understanding that the 10-year treasury yield at the</p> <p>20 close of last week was roughly what it was back in April?</p> <p>21 A I guess I don't know that. I don't have the 10-</p> <p>22 year treasury information in front of me. Sorry.</p> <p>23 Q Nothing to be sorry about. What would the current</p> <p>24 cap rate be for Watertown, South Dakota as we sit here</p> <p>25 today?</p>

<p style="text-align: right;">Page 82</p> <p>1 A I can't opine on what a cap rate would be today</p> <p>2 because I -- the appraisal takes many days of research and</p> <p>3 study and thought to come up with all the conclusions in the</p> <p>4 report. I am not prepared to offer an opinion on that</p> <p>5 today.</p> <p>6 Q So the cap rate in your report is your belief as</p> <p>7 of July, but not necessarily your belief as of today.</p> <p>8 A That is correct. Yes.</p> <p>9 Q You just talked earlier today that the plans for</p> <p>10 the property changed between two of your appraisals. Do you</p> <p>11 remember that?</p> <p>12 A Yes.</p> <p>13 Q What leads you to believe they changed?</p> <p>14 A Well, I took a physical measurement of the</p> <p>15 building when I was there, and I could identify that the</p> <p>16 building footprint was different than what was identified in</p> <p>17 the previous appraisal reports. And then, I combined that</p> <p>18 with the new architectural drawings that were provided to me</p> <p>19 by the client.</p> <p>20 Q You say new architectural drawings, are those</p> <p>21 different than old architectural drawings?</p> <p>22 A The drawings were different than the drawings that</p> <p>23 were provided to us for the first assignment.</p> <p>24 Q Really?</p> <p>25 A To my knowledge, they were. Yes.</p>	<p style="text-align: right;">Page 84</p> <p>1 me if I am wrong, but that's an annualized number.</p> <p>2 A Yes.</p> <p>3 Q There was testimony earlier in this hearing by Ms.</p> <p>4 Craig that net income would be \$60,000 a month. I don't</p> <p>5 know if you were present for that or not. Were you present</p> <p>6 for that?</p> <p>7 A No. I was not.</p> <p>8 Q Okay. Can we agree that \$60,000 a month would be</p> <p>9 \$720,000 a year?</p> <p>10 A Yes.</p> <p>11 Q Okay. Would net operating income of \$720,000 a</p> <p>12 year, juxtaposed to \$495,060, increase the value of the</p> <p>13 property?</p> <p>14 A All other characteristics being equal, yes, it</p> <p>15 would have a positive influence on value.</p> <p>16 Q That's an almost, emphasis on the word almost, 50</p> <p>17 percent increase in month-over-month net revenue, isn't it?</p> <p>18 A Sounds correct.</p> <p>19 Q Okay. And to be clear, if that was the figure</p> <p>20 that would cause your appraisal to be for a higher sum,</p> <p>21 based on the sale approach, correct?</p> <p>22 A If that was the net operating income that I would</p> <p>23 have concluded at. Yes. All else -- all other factors</p> <p>24 being equal, it would have resulted in a higher value.</p> <p>25 Q So I want to be careful not to be too summary</p>
<p style="text-align: right;">Page 83</p> <p>1 Q Were they by the same architect?</p> <p>2 A Off the top of my head, I don't recall.</p> <p>3 Q Did you look at architectural drawings for your</p> <p>4 second or third appraisal?</p> <p>5 A We had those as a part of the work file. So those</p> <p>6 would have been incorporated in the report and considered.</p> <p>7 Yes.</p> <p>8 Q Okay. Where did you receive those from in the</p> <p>9 beginning?</p> <p>10 A The very first appraisal report that we did, we</p> <p>11 received the drawings from our client, Red River State Bank.</p> <p>12 Q And for the most recent one, you also received</p> <p>13 them from your client?</p> <p>14 A Yes. That's correct.</p> <p>15 Q Have you ever asked the Debtor for the</p> <p>16 architectural drawings?</p> <p>17 A No.</p> <p>18 MR. VERSTANDIG: Could we please go to Page 14 on</p> <p>19 the right, so up one page, a little bit further up? Thank</p> <p>20 you.</p> <p>21 BY MR. VERSTANDIG:</p> <p>22 Q Now, your pro forma has net operating income of</p> <p>23 \$495,060. Do you see that?</p> <p>24 A Yes. I do.</p> <p>25 Q And I believe you testified earlier, and correct</p>	<p style="text-align: right;">Page 85</p> <p>1 here, but if the net operating income was significantly</p> <p>2 higher, and the lease-up period was significantly lower,</p> <p>3 that would lead to a material change in your appraisal,</p> <p>4 right?</p> <p>5 A Yes. Again, all other factors being equal, aside</p> <p>6 from those two changes, yes, those would be positive</p> <p>7 influences on value.</p> <p>8 Q Okay. And as you may have caught on, I spent</p> <p>9 perhaps too much time reading these. It looks like the</p> <p>10 average median income -- I am sorry, the average end to</p> <p>11 median income went up in Watertown, South Dakota from 2022</p> <p>12 to 2025, correct?</p> <p>13 A I don't see it. So I guess I can't speak to that.</p> <p>14 But I don't know that information off the top of my head.</p> <p>15 MR. VERSTANDIG: Madam clerk on the left, could we</p> <p>16 please look at Page 18 and on the right, could we please</p> <p>17 look at Page 26?</p> <p>18 BY MR. VERSTANDIG:</p> <p>19 Q It looks like we went from \$81,000 and change to</p> <p>20 \$86,000 and change for average household income, correct?</p> <p>21 A Yes. That's correct.</p> <p>22 Q Okay. And median income popped from 64,000 and</p> <p>23 change to 68,000 and change, correct?</p> <p>24 A Yes. That's correct.</p> <p>25 Q And in your expert opinion, that would lead to at</p>

<p style="text-align: right;">Page 86</p> <p>1 least a marginal increase in prevailing rental rates, 2 correct? 3 A Not necessarily. That is one characteristic of 4 the market that may or may not influence rental rates. 5 Rental rates can be influenced by a supply and demand 6 characteristics of the market, and that's one 7 characteristic. So not necessarily. No. 8 Q Could we please go to Page 58 of the report on the 9 right? Now, this is a chart that shows market sale price 10 per unit. Can I assume that's for apartment buildings in 11 Watertown, South Dakota? 12 A Yes. That would be for the multifamily market 13 segment of the area studied. So it includes Watertown, but 14 there's a map that is earlier, on the pages earlier that 15 show the market area that is included in these graphical 16 representations of the data. 17 Q I'm not trying to quiz you, so if we need to 18 scroll to the map, we can. But do you have a generalized 19 sense of, is this going to be a map of the South Dakota 20 region, of the Midwest, the United States, the Western 21 Hemisphere? 22 A Be it generally Northeastern South Dakota. 23 Q Okay. So it would be of a region of the state? 24 A Yes. 25 Q Good. And this shows the forecast for market sale</p>	<p style="text-align: right;">Page 88</p> <p>1 to see if I have any texts from the courtroom. 2 THE COURT: Take your time. 3 MR. VERSTANDIG: Your Honor, if we could take 4 perhaps 90 seconds just to make sure I am not missing 5 something, and otherwise I suspect I will be finished with 6 this witness. 7 THE COURT: Sure. 8 MR. VERSTANDIG: I know we're at the end of a long 9 day. 10 THE COURT: Take your 90 seconds. 11 MR. VERSTANDIG: Thank you. And I am going to 12 have a couple more questions, then we will be finished, I 13 promise. 14 BY MR. VERSTANDIG: 15 Q On the right side, could we please go to Page 85? 16 These are the vacancy rates that you had referenced earlier, 17 correct, Mr. Luther? 18 A Yes. 19 Q And this shows Parkside Place being 100 percent 20 occupied, correct? 21 A Yes. 22 MR. VERSTANDIG: Your Honor, nothing further for 23 this witness. 24 THE COURT: Mr. Feist, any questions? 25 MR. FEIST: Yes. Your Honor, briefly, if I may.</p>
<p style="text-align: right;">Page 87</p> <p>1 price per unit in 2026 coming to, if I am reading this 2 correct, about \$5,000 less than the high over the trailing 3 10-year period, right? 4 A Let's see here. So it looks like the high was 5 approximately a little over 80,000 a unit. And then, I am 6 not sure which number you're referencing. Are you 7 referencing the current or the end of the year forecast 8 that's indicated by CoStar? 9 Q As best I can tell, the end of '26, and please 10 correct me, I am not trying to read this for you. It looks 11 like the line hits the 75K mark right at the end of '26, if 12 I am reading that right. 13 A Oh, at the end of 2026, yes, I see that. Yes. It 14 looks like the line does cross 75,000 per unit. 15 Q Okay. So the forecast would be that a year from 16 now it's about \$5,000 per unit off the high from '22 or late 17 '21, depending on how you look at that, right? 18 A Yeah. Using this chart in isolation. Yes. 19 Q Okay. And on a 63-unit building, can we agree 20 that \$5,000 per unit would be a discount of \$315,000? 21 A I don't have a calculator in front of me. I would 22 assume that you're calculating correctly, but I can't 23 calculate it here in my head, so. 24 MR. VERSTANDIG: Your Honor, court's indulgence 25 for one moment. And I am intentionally looking at my phone</p>	<p style="text-align: right;">Page 89</p> <p>1 THE COURT: Yes. 2 CROSS EXAMINATION OF JOSHUA LUTHER 3 BY MR. FEIST: 4 Q Good afternoon, Mr. Luther. You had given an 5 opinion about the net present value of the TIF for The 6 Ruins. Is that right? 7 A Yes. In an earlier report. Yeah. 8 Q Right. I believe it was your earlier reports, 9 including your third report, correct? 10 A I believe so. I would have to review that third 11 report, but I -- to the best of my recollection. 12 Q And when you provided that opinion, I believe you 13 said you were valuing the expected cash flow from the TIF 14 and reducing it to present value. Is that correct? 15 A Yes. That's correct. 16 Q Does the TIF increase the value of the real estate 17 itself, or is it an independent -- or is the value 18 independent of the real estate? 19 A It's independent of the real estate. It's kind of 20 like a separate component since it is -- can be separated 21 from the real estate and sold independently from the real 22 property. 23 Q Right. So if the TIF revenue is sold, the TIF 24 wouldn't have any value to the property, would it? 25 A Well, the TIF has value to whoever owns the TIF.</p>

<p style="text-align: right;">Page 90</p> <p>1 So if -- you know if the current property owner that owns 2 the real property that were -- that I appraised sold it, 3 then there is no value to that property owner. It's whoever 4 owns it, whoever bought it, has the value of the TIF. 5 Q Right. So if the property were sold, but the TIF 6 revenue was not transferred to the buyer, the TIF wouldn't 7 have any value to the new owner. 8 A That's correct. 9 Q Similarly then, if the TIF revenue was assigned to 10 a third party, would the TIF have any value to the property 11 itself? 12 A No. 13 MR. FEIST: I don't have any further questions. 14 THE COURT: Okay. So we're past 5:00. How long 15 do you have for redirect? 16 MR. HUSHKA: Your Honor, I think it would be 17 relatively brief, but I also wouldn't mind being able to 18 consult with my clients as well for any areas on redirect if 19 we could continue this to the morning. And then I think it 20 would be a short witness to wrap up if the Court is 21 comfortable keeping them on overnight and whether Mr. 22 Luther's available tomorrow morning. 23 THE COURT: So my hard stop is 6:00, CSOs won't 24 permit me to go any longer than that. I don't know if we 25 can finish. That's really my question.</p>	<p style="text-align: right;">Page 92</p> <p>1 REDIRECT EXAMINATION OF JOSHUA LUTHER 2 BY MR. HUSHKA: 3 Q Mr. Luther, do you see that left document? And 4 can you describe what that is? 5 A Yes. That's the floor plan of the first floor, or 6 drawing of the first floor that was provided to us for that 7 assignment. 8 Q All right. And if we can compare that, if you can 9 pull up on the right, Page 42. Do you see that, sir? 10 A Yes. That is also the floor plan or drawing that 11 was provided to us for that assignment. 12 Q All right. If we look in the upper right corner 13 of that right document, is there something in that corner? 14 A Yes. There's a -- on the right-hand side, there's 15 an identification of the individual who prepared that or 16 drew the document. 17 Q Okay. What is that -- if there's any significance 18 to that, what is it? 19 A I think it says Stroh, S-T-R-O-H. It's pretty 20 small for me to read, but I believe that's what it says. 21 Q Okay. And is anything certified by an architect 22 stamp such as that? 23 A I am sorry. I am not following your question. 24 Q When an architect stamps a document, such as it 25 appears Mr. Stroh did in this case, does that signify</p>
<p style="text-align: right;">Page 91</p> <p>1 MS. STANLEY: Can we take a quick five-minute? 2 THE COURT: Yeah. To consult? Sure. 3 MS. STANLEY: Yes. 4 MR. HUSHKA: Yes. 5 THE COURT: Yes. Yes. You may. I will just stay 6 here. 7 MR. HUSHKA: Thank you, Your Honor. 8 MR. VERSTANDIG: Are you trying to hotbox us out 9 of here? 10 THE COURT: Yeah. 11 UNIDENTIFIED SPEAKER: Yeah. 12 MR. HUSHKA: And good thing I wore my turtleneck 13 and undershirt. 14 MR. HUSHKA: Well, we should be very brief, I 15 believe, Your Honor, if we're -- 16 THE COURT: Great. 17 MR. HUSHKA: -- allowed to go -- 18 THE COURT: Yes. 19 MR. HUSHKA: -- forward. 20 THE COURT: Yes. Let's see if we can't finish 21 with this witness today. 22 MR. HUSHKA: All right. 23 THE COURT: You may proceed. 24 MR. HUSHKA: Thank you. If I could have the clerk 25 turn to Page 25 on 95-3, so that left document, Page 25.</p>	<p style="text-align: right;">Page 93</p> <p>1 anything to your knowledge or opinion? 2 A Oh, so that would be signifying it's like an 3 official, you know, final version of the document. 4 Q So is it your understanding that the floor plans 5 and blueprints reviewed for the most recent report are the 6 official as-built plans? 7 A Yes. That's my understanding. 8 Q We also talked or was asked -- you were asked 9 briefly about the potential sale of The Lofts. Do you 10 remember that? 11 A Yes. I do. 12 Q When you're compiling sale data for sales 13 comparison approach, how do you collect that sales data or 14 how do you know what properties have been sold? 15 A Generally, we're researching a number of different 16 sources that we have to us. So one would be county records. 17 We'll look through county records to see if there's been any 18 sales that have been recorded. We'll look through our 19 CBRE's proprietary database that has sales in it that have 20 been entered in by other appraisers in our company. We also 21 have third-party services like CoStar that provide sale 22 transaction data that we also review and look at to identify 23 sales for the assignment. 24 Q Would any of those data sources potentially 25 identify a membership sale where a membership interest in an</p>

Page 94	Page 96
<p>1 LLC is sold from one member to another?</p> <p>2 A My experiences is, is those generally are not</p> <p>3 recorded publicly when they're between two members. I don't</p> <p>4 frequently see those as recorded with like the county, for</p> <p>5 example. So if it's not recorded with the county, it</p> <p>6 wouldn't show up.</p> <p>7 Q And you don't know if the sale of The Lofts was a</p> <p>8 membership sale or not?</p> <p>9 A I don't know. No.</p> <p>10 Q Was there any particular reason why you did not</p> <p>11 include The Lofts in your sale comparison report, to your</p> <p>12 knowledge?</p> <p>13 A If I am not aware of it selling it, then I --</p> <p>14 there's no reason to include it.</p> <p>15 Q Okay. Lastly, you have talked about the</p> <p>16 valuations and your opinions as they relate to a moment in</p> <p>17 time, essentially a snapshot of July 2, 2025. Is that a</p> <p>18 fair summary of your fourth report?</p> <p>19 A Yes. All value opinions are issued as of the</p> <p>20 effective date of the report. And it represents the</p> <p>21 appraiser's opinion as of that date.</p> <p>22 Q And so essentially, if you wanted to provide a</p> <p>23 opinion as to that particular date for this hearing that</p> <p>24 started, it was originally noticed for September, and then</p> <p>25 continued to October and now continued again to November,</p>	<p>1 this hearing at 8:30 tomorrow morning providing everybody</p> <p>2 can get here. I am going to assume that you can get here</p> <p>3 unless you call the clerk's office. Okay? All right.</p> <p>4 MR. VERSTANDIG: And, Your Honor, just for</p> <p>5 clarity, the Court's going to be taking a recess at 10:00</p> <p>6 a.m., correct?</p> <p>7 THE COURT: Yes, at 10:00 a.m. I need to take a</p> <p>8 recess for 15 to 20 minutes is my best guess.</p> <p>9 MR. VERSTANDIG: May we reasonably count on the</p> <p>10 fact that we won't be in court from 10:00 to 10:15? I am</p> <p>11 scheduling a call with a judicial mediator in a totally</p> <p>12 unrelated matter.</p> <p>13 THE COURT: Yes. You are --</p> <p>14 MR. VERSTANDIG: Thank you, Your Honor.</p> <p>15 THE COURT: -- absolutely. And if I happen to</p> <p>16 finish in 10 minutes, I will just take five minutes to</p> <p>17 myself.</p> <p>18 MR. VERSTANDIG: I can learn to try to speak more</p> <p>19 quickly than I do. But thank you.</p> <p>20 THE COURT: That's fine. In fact, I -- you know I</p> <p>21 think it's possible it could go to 10:30, but it won't go</p> <p>22 after that. Okay. All right. Then we stand in recess.</p> <p>23 See you tomorrow morning at 8:30, I hope.</p> <p>24 CLERK: All rise.</p> <p>25 (Whereupon these proceedings were concluded.)</p>
Page 95	Page 97
<p>1 would you have had to have prepared three separate reports?</p> <p>2 A Well, three or maybe more, depending upon how</p> <p>3 many times, you know, when they asked me to set that</p> <p>4 timestamp, if you will, that snapshot in time.</p> <p>5 MR. HUSHKA: Okay. No further questions, Your</p> <p>6 Honor.</p> <p>7 THE COURT: Cross examination, Mr. VerStandig?</p> <p>8 MR. VERSTANDIG: One question, Your Honor.</p> <p>9 RE CROSS EXAMINATION OF JOSHUA LUTHER</p> <p>10 BY MR. VERSTANDIG:</p> <p>11 Q Mr. Luther, just for clarity, the images on the</p> <p>12 screen at the moment, the one on the left is the first</p> <p>13 floor, the one on the right is the second floor, correct?</p> <p>14 A Yes. That's correct.</p> <p>15 MR. VERSTANDIG: Thank you. Nothing further, Your</p> <p>16 Honor.</p> <p>17 THE COURT: Mr. Feist.</p> <p>18 MR. FEIST: Nothing from me, thank you.</p> <p>19 THE COURT: Then the witness may be excused.</p> <p>20 Thank you for appearing today.</p> <p>21 MR. HUSHKA: Your Honor, we would state that I</p> <p>22 don't believe our next witness can get done in half an hour,</p> <p>23 so this might be a good time for the day.</p> <p>24 THE COURT: Yeah. Yes. Yes. We are definitely</p> <p>25 stopping right now. Thank you. Okay. So we will resume</p>	<p>1 CERTIFICATION</p> <p>2</p> <p>3 I, Sonya Ledanski Hyde, certified that the foregoing</p> <p>4 transcript is a true and accurate record of the proceedings.</p> <p>5 <i>Sonya M. Ledanski Hyde</i></p> <p>6</p> <p>7</p> <p>8 Sonya Ledanski Hyde</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20 Veritext Legal Solutions</p> <p>21 330 Old Country Road</p> <p>22 Suite 300</p> <p>23 Mineola, NY 11501</p> <p>24</p> <p>25 Date: December 2, 2025</p>

[& - 5,000]

Page 1

&	12 6:6 38:18	38:18,25 39:9	3.88 79:8
& 4:20 5:9 37:19	12,410,000 38:22	66:8,21 72:21 85:11	300 5:11,11 97:22
0	12.41 44:22	2023 23:20	31 29:4
09/26/2025 3:2	12151 97:5	38:21,23 43:13	315,000 87:20
1	13 47:25 68:25 69:3	44:3,5 72:24 73:1,10 79:4	330 97:21
1 38:21,23 44:11 46:4 57:5	131 3:6	2024 65:21,24	3429 5:3
1,500 15:22	14 74:19 83:18	2025 2:9 46:19	36 29:22
1.8 66:7,11	143 3:10	47:12 72:17,20	37 6:12,13
10 11:19 25:2 63:2 78:19 80:10,12 81:19 81:21 87:3 96:16	14th 4:22	73:8 85:12	38 30:5
10,730,000 23:17	15 11:19 26:12 78:9 96:8	94:17 97:25	4
10.7 39:16	15-20 10:17	2026 87:1,13	4 23:15,18,20 36:16 46:12 48:10 49:9 62:15,20
10/10/2025 3:6	1500 5:19	206 4:22	4,162 22:23
10/17/2025 3:10	1630 4:5	21 28:6 87:17	4,520,000 47:12
100 5:19 70:21 71:18 88:19	170 62:15,21	218 4:13	4.11 80:16,24
109 3:2	18 85:16	22 44:22 87:16	4.13 80:12,23
10:15 96:10	19 27:23,25	23 44:23 64:16 73:13	4.25 80:20
10:30 96:21	1995 13:6	24 2:9 55:25	4.28 80:22
11 3:2,5,9	1999 13:15	60:8 72:9	4.37 79:7
11,140,000 23:19	1st 1:7 2:6 11:4	25 64:17 80:20 80:21,22 91:25 91:25	4.5 80:21
11,740,000 38:20	2	25-30002 1:3	40 30:10
11.46 44:22	2 22:20 23:10 36:16 44:11	25-30003 1:11	41,000 59:18 59:22 60:4,9
11.7 39:16	46:4 57:5 71:3 71:3 94:17 97:25	25-30004 1:19 7:3 63:8	42 92:9
11501 97:23	2.5 69:19	26 28:18 85:17 87:9,11	495,060 59:18 83:23 84:12
	20 20:20 96:8	2nd 78:12,25 79:7,14 80:13 80:24	4:40 63:3
	2005 13:21	3	5
	2017 15:7	3 21:19 36:16 37:23 43:15 49:9 57:5	5 47:5
	2021 17:23 20:14 22:10,13 23:15 39:8		5,000 87:2,16 87:20
	2022 20:20 23:18 37:10		

[50 - amenities]

50 39:5 84:16 520,000 23:16 39:8 55402 5:20 57101-1030 4:23 57104 5:12 58 86:8 58102 2:7 4:14 58102-4246 4:6 58106-9231 5:5 59 6:14 41:22 46:12 62:15,20 62:22 63:21 5:00 90:14 5th 5:19	7.5 79:14 71 34:11 720,000 84:9 84:11 75,000 87:14 75k 87:11 77 34:20	99 35:18	adds 33:17
		a	adjustment 34:16 adjustments 34:17,19 administered 1:3,11 administration 13:13 admissibility 21:15 admitted 37:19 62:22 advertising 58:12 advisory 20:2 affect 53:20 57:7,9,10 76:4 affected 55:17 afternoon 7:13 7:19 8:2,6 12:21 89:4 age 29:18 agent 74:11 ago 72:13 agree 84:8 87:19 agreeing 38:8 agreement 18:19 aid 68:21 allow 69:21 71:14 allowed 19:5 91:17 amenities 29:16
6 46:20 47:12 6,980,000 38:19 6.9 44:14 60 31:15 60,000 84:4,8 61 63:20 62 6:14 32:8 63 6:7 23:2 87:19 64,000 85:22 655 2:6 66 32:13 68,000 85:23 6:00 90:23	8 8 48:10 53:19 68:24 80,000 87:5 81,000 85:19 85 88:15 86,000 85:20 89 6:8 8:30 2:10 96:1 96:23	a.m. 10:15 96:6 96:7 aarestad 9:10 able 20:21 52:18,21 56:20 90:17 above 76:19 absolutely 96:15 accepted 43:7 accident 21:6 accommodate 10:5 accurate 61:19 66:8 97:4 achieve 52:16 71:5 78:1 achieved 71:5 71:6 achieves 54:5 55:23 acronym 40:14 activity 74:24 78:20 actual 56:19 actually 15:1 64:9 71:1 73:15 79:10,18 added 39:13 42:12 additional 9:10 28:16 76:5 address 48:11 49:7	
6	9 9.9 44:13 47:14 90 88:4,10 92 6:6 9231 5:4 93-1/2 69:8 93.5. 54:9 95 6:7 95-1 19:25 21:2 21:5,16 95-2 6:12 37:3 37:14,15,18,19 95-3 6:13 37:15 37:16,18,19 43:6 48:9,10 91:25 96 54:8 69:8 97 35:5		
7			
7 3:2,6,9 39:8 79:14			

[illegible]

[artful - believe]

Page 4

<p>artful 45:8 aside 85:5 asked 18:12 45:16 66:3,5 66:20,23 69:12 69:16 71:11 73:7,8 83:15 93:8,8 95:3 asking 45:22 64:4 80:18 asks 67:20 assessment 30:6,8 asset 66:10,13 67:12 assigned 25:15 41:5 49:8,14 67:5 68:17 90:9 assignment 16:14,23 18:6 18:10,20,21,22 19:5 26:24 27:5,14 32:18 33:4 40:18 46:25 49:19 53:18 54:11,12 66:15 68:1 73:24 74:8 82:23 92:7,11 93:23 assignments 15:14,22 16:12 74:5,6 associated 25:19 47:18 76:11</p>	<p>assume 44:15 59:20 79:15 86:10 87:22 96:2 assumes 70:25 assuming 36:3 62:2 assumption 36:2 assumptions 35:19,20,21 36:4 attempt 24:14 attend 12:24 13:16 attest 22:5 43:23 46:23 attorney 4:4,21 5:2,10,17 7:19 attorneys 4:12 attributed 39:10 availability 78:21 available 57:18 90:22 ave 2:6 avenue 4:5,13 5:11 average 25:21 29:14 52:23 85:10,10,20 aware 65:3,20 65:22 76:14 77:14,20 94:13</p>	<p>b b 2:21 4:5 6:10 21:9,13 back 22:20 27:15 38:10 44:22 47:5 63:7 64:10 73:8 77:2 81:20 background 14:21 bad 8:12,18 bank 3:1 4:12 4:21 7:7,18,22 9:14,22 12:2 16:22,24 18:2 20:14 37:10 43:13 46:18 49:21 58:23 66:20,23 74:11 79:25 80:10 83:11 bank's 3:5,8 bankruptcy 1:1 2:4,23 4:3 7:3 17:15 63:8 70:12 75:1,4 76:15 banks 18:5 80:8 bar 48:12 based 9:2 24:7 34:18 36:21 40:19 46:7 53:17 55:4 56:2 67:19,23 71:4 77:24</p>	<p>78:11 84:21 basically 55:22 basis 15:4,12 15:13 19:2,8 30:16 31:19 52:14 59:8,13 bassford 5:16 bates 21:5 bearing 22:10 beginning 20:4 46:12 74:14 83:9 begins 32:10 behalf 7:12,14 7:17,25 8:3,4,7 11:11 belief 82:6,7 believe 9:8,8 9:15,18 11:22 15:7,10 18:2 20:15 21:4 26:6 37:12 41:13,14,17 51:20 55:6 56:8 61:19,23 62:3 65:13,13 65:15 66:7,9 67:7,9 69:17 70:19 71:2 72:9,19,25 74:13 77:1,8 77:12 79:9 80:14 82:13 83:25 89:8,10 89:12 91:15 92:20 95:22</p>
---	--	---	---

believed 51:18	38:5 43:15	bullet 74:22	82:1,6
benchmark 80:9	53:19 69:2 74:20	burdick 2:5	capitalization 25:25 34:21,25
benchmarks 81:12,13	bought 90:4	business 13:13 76:21	35:4 44:25
benefit 41:3	boulevard 5:3	buy 75:8	45:3,4,4,6
best 10:21	box 5:4	buyer 25:22 60:25 61:12,23	54:21 55:1,2
25:16 31:16,18	boy 13:21	73:21 74:1	55:12,13,15
39:25 49:22,24	break 10:16	90:6	60:20 76:25
66:25 87:9	brief 11:14,15 25:11 28:2	buyers 75:4 79:21,22	captured 60:4
89:11 96:8	90:17 91:14		career 15:20 15:23 16:14
better 35:23	briefly 19:16 88:25 93:9	c	careful 84:25
beyond 27:6	broad 78:11	c 4:1 7:1 21:9 21:14 97:1,1	caren 4:17 7:20 20:24
bid 19:4,7 67:23	broke 63:9	calculate 45:7 87:23	case 1:3,11,19 3:1,5,9 7:2,3
big 22:21	brokers 24:19	calculated 42:9 45:6 56:21	10:4 11:13
bigger 52:19 52:20 53:3	budget 18:6	calculating 87:22	12:9 17:1,3,7
80:25	budgeted 33:3	calculation 59:5,6 60:1	17:19 19:9,10
bit 14:22 28:9 44:25 63:22	build 32:16,22 33:11,20 34:7	calculations 33:15 53:7	21:7 23:24
69:1,2 73:14	builders 58:18	calculator 87:21	28:5 31:22
78:10 83:19	building 22:14 23:25 24:9	calendar 11:4	42:9 51:7
black 13:10,11 13:12,16	25:21 27:16,20	call 7:2 8:17 11:24 12:2	54:18 55:8,11
blueprints 93:5	29:12 33:20	96:3,11	63:8 66:18
blunt 51:17	51:15,17,20,25	called 12:14 54:3,21 65:12	67:8 68:2 76:1
borrower 79:24 80:5	52:3,7,9,19,20	calling 11:18	76:5 77:21
borrower's 80:2	65:1 79:18	calls 15:17	92:25
borrowing 79:24	82:15,16 87:19	campus 13:19	cases 80:8
boss 22:1	buildings 15:25 29:8	cap 34:25 55:17 81:24	cash 40:16,21 40:21,23,24
bottom 21:19 26:4 37:22	70:8 86:10		41:5,7,8 42:10
	built 25:21 28:15 29:17		61:2 67:5
	52:3 93:6		89:13
	bulk 67:14		categories 25:5 44:11
			category 48:18 49:11,17,18

[category - compiling]

Page 6

<p>51:12 54:3 cathcart 4:9 7:15 17:16 71:11 caught 85:8 cause 39:9,17 69:19 84:20 cbre 14:24,24 15:6,8 21:24 38:2 43:20 cbre's 93:19 central 76:20 certain 14:12 27:11 certainly 10:11 80:20 certainty 36:25 43:3 46:9 62:12 certified 13:24 92:21 97:3 certify 38:7 challenging 75:14 change 36:10 39:9,16,17 44:13 48:24 59:19 85:3,19 85:20,23,23 changed 39:15 40:9 82:10,13 changes 70:2,3 85:6 changing 24:12 chapter 3:2,5,9 3:9</p>	<p>characteristic 75:20,22,23 86:3,7 characteristics 25:9,20,24 27:21 28:21 29:12,15 34:22 34:23 56:14 57:9 61:1,25 69:25 84:14 86:6 charge 52:14 52:19,21 53:24 chart 86:9 87:18 cheap 75:8 choose 61:10 chris 21:24 christian 13:3 13:4 christiana 7:15 christianna 4:9 churn 78:7 circumstances 31:21 city 41:2 72:6 clarify 57:12 clarity 71:25 74:23 95:11 96:5 classes 14:8,10 clear 66:20 72:16 84:19 clerk 12:4,6,8 63:5,18 64:4,5 64:10 68:23 85:15 91:24</p>	<p>96:24 clerk's 8:17,17 96:3 client 25:14 26:18 35:23 40:19 41:9 49:17,19 66:16 67:15,24 76:6 77:20 82:19 83:11,13 clients 15:14 15:17,18 16:11 40:15 90:18 close 28:12 80:16,24 81:20 closer 11:19 colleagues 68:8 collect 93:13 collected 56:18 collecting 27:8 colorado 13:18 combined 82:17 combines 14:7 come 32:11 33:9 35:15 41:9 82:3 comes 67:20 70:4 comfortable 90:21 coming 87:1 commercial 14:25 15:1 19:13 22:24 36:22</p>	<p>communicati... 74:10 companies 36:2 company 3:4 5:10 8:1,3 15:4 15:5 32:20 68:22 93:20 comparable 32:10 34:5,14 34:16,19 39:25 45:13 63:14,25 64:13 65:2,8,9 65:14,16,19,23 70:17 77:10 comparables 33:5 70:20 76:25 compare 33:8 45:18,22 51:1 92:8 compared 51:21 comparison 34:12,13 48:8 60:19 61:9,18 93:13 94:11 compensated 19:4 compensation 19:3,6,9 compete 31:2 78:4 competing 78:2 compiling 93:12</p>
--	--	---	--

[complete - cost]

Page 7

complete 15:15 16:13 18:14,22 23:16 24:2,3 29:20 38:20 39:15,22,23 40:5,6 44:10 44:20 47:16,20 47:21 61:5,11 74:7	35:11 38:9 82:3 condition 18:14,14 29:21 32:7 49:24 conditions 35:19,20 56:2 56:4 70:2 conducted 72:6 conference 8:13 10:5,14 confidential 24:21 confirm 11:7 conform 30:3 connection 16:24 17:6,12 17:18 consider 16:2 28:11 32:17,17 33:7 71:23 consideration 73:22 considerations 71:22 considered 27:11 31:12 32:18 54:6 63:15 83:6 considering 7:6 consistent 36:9 36:11,12 46:3 constant 78:6 constructed 29:8,13	constructing 39:11 construction 24:3 33:3,16 34:1,4 39:1 44:6,16,18 47:22 55:23 74:24 75:1 78:20 construction's 24:5 consult 90:18 91:2 contacted 17:25 contain 42:14 contained 32:14 contains 40:11 73:10 contents 22:7 41:19 47:1 context 10:3 continue 31:7 90:19 continued 7:4 94:25,25 continuing 33:1 continuum 60:13 contract 18:20 convenient 10:9 conversation 10:22	convert 3:1,5,9 7:6 35:3 45:14 corner 92:12 92:13 corp 8:1 correct 19:1 23:6 34:10 55:8 60:7 61:7 64:7,8,14,20 64:24 66:21,22 66:24 67:2 68:8,9 72:1,22 72:25 77:7 79:12,13,15,19 80:2,14 82:8 83:14,25 84:18 84:21 85:12,20 85:21,23,24 86:2 87:2,10 88:17,20 89:9 89:14,15 90:8 95:13,14 96:6 correctly 52:2 87:22 correlate 64:6 correlation 34:9 80:1 corresponding 25:10 30:8 45:12 cost 18:6 32:13 32:15,16,19,22 32:23,24 33:1 33:3,4,7,10,11 33:12,14,16,18 33:19,22 34:1 34:2,7 36:14
--	---	---	---

36:15,17 73:10 73:15,17,23 74:3,7,11 80:9 80:10 costar 24:24 56:6 87:8 93:21 costs 34:4 40:4 40:4,8 47:18 47:18,22 78:21 counsel 7:15 7:21 81:6 count 96:9 countries 78:15 country 97:21 counts 28:25 county 41:2 49:14 93:16,17 94:4,5 couple 8:11 88:12 course 15:23 16:14,16 court 1:1 2:4 7:2,17,25 8:4,8 9:1,12,16,20 10:13 11:3,11 11:15,21 12:3 12:17 14:19 16:20 19:15,18 19:20,24,24,25 20:6,20,22 21:2,7,10,12 21:16,16 23:21 25:1,5,11 26:7 26:13 32:14	36:6,20 37:18 37:18 42:1,21 43:5 45:25 46:12 47:24 48:8 50:10,18 50:20,24 59:10 59:14 62:4,18 62:20,20 63:1 63:7 69:13,21 70:12 71:8,10 71:13 80:19 81:1,3,9 88:2,7 88:10,24 89:1 90:14,20,23 91:2,5,10,16 91:18,20,23 95:7,17,19,24 96:7,10,13,15 96:20 court's 45:17 87:24 96:5 courthouse 2:5 8:15,22 courtroom 7:11,16,21 88:1 cover 15:3 covers 11:8 crafting 63:25 craig 7:16 9:10 9:22 17:9,10 71:2,8,9 84:4 created 22:9 40:22 44:1 creates 32:4 41:5	credibility 10:2 credible 73:19 74:16 credit 14:7 56:19,25 cross 63:2,9,12 87:14 89:2 95:7 crucial 8:21 csos 90:23 current 14:23 15:11 30:7 56:2 81:23 87:7 90:1 currently 14:24 70:11 76:21 cx 6:4	71:23 72:5 73:6 86:16 93:12,13,22,24 database 93:19 date 23:16,18 23:19 38:21,23 50:6 60:11 72:19,23 80:23 94:20,21,23 97:25 davenport 4:20 day 10:21 15:11,12,13,13 15:14,14 22:17 23:24 25:17 71:2,3 72:11 72:18 88:9 95:23 days 82:2 debt 58:16 59:23 debtor 1:9,17 1:25 3:8 7:12 7:12,14 9:25 11:13 83:15 debtor's 7:15 debtors 4:4 11:11 70:12 december 11:4 13:15 64:16 97:25 decide 60:21 decided 74:7 decides 67:24 decision 9:9
		d	
		d 5:22 6:1 7:1 d&m 5:2 8:5,7 daily 15:4 dakota 1:2 4:3 13:8,25 16:7 17:15 64:19,23 65:1 70:15 81:24 85:11 86:11,19,22 daniele 9:8 data 16:16 24:24,25 27:1 27:4,5,6,7,16 30:6 31:8,10 32:20 36:10 42:17 46:2,3 56:3,5,11 64:6	

[declines - drafting]

Page 9

declines 54:18 decrease 44:23 45:2 47:13 48:5 53:10 79:17,20 decreased 40:9 54:1 decreases 52:16 54:15 decreasing 79:3 dedicated 41:16 deduct 40:4 47:18 56:25 deducting 47:22 define 26:20 definitely 95:24 definition 26:21 degree 13:9,12 13:18,20 36:25 43:2 46:9 62:11 delays 75:2 demand 78:20 86:5 demographic 28:3,16 56:7 77:24 demographics 16:16 24:12 demolished 22:15	denied 19:20 depend 34:3 78:13 dependent 19:6 depending 9:16 31:20 87:17 95:2 depends 40:24 60:12 80:4 depict 29:23 depiction 63:24 depreciation 33:12,17 describe 48:25 49:5,12,22 50:2 54:4 56:4 92:4 described 24:8 describes 29:7 description 6:11 22:16 desk 50:12 detailed 57:25 determination 77:4 determine 24:10,14 77:25 determined 19:10 determining 56:10 61:2 develop 26:15 27:19 33:17 39:21,23 41:4 47:16 74:16	developed 25:25 35:9 39:19,19 47:15 47:17 53:17 55:4 70:1 developer 41:3 74:25 developer's 32:23 33:8 developers 24:18 developing 35:1 40:2 development 3:4 5:10 8:1,3 22:13,21 31:13 38:12,24 40:8 44:4 53:21 diamond 5:17 8:8 differ 53:1 difference 49:4 51:8 54:9 different 31:20 33:24 35:11 51:22 60:18 66:13 79:24 82:16,21,22 93:15 differentiate 23:22 differently 67:23 80:8 difficult 20:19 dire 19:17 direct 12:19 22:1 34:8 38:5	director 21:25 38:4 43:21 disciplinary 14:15,18 discount 75:8 75:17 87:20 discounting 41:8 discussed 62:8 discusses 73:15 discussion 69:18 dismiss 7:6 displayed 50:20 district 1:2 30:2 40:15,22 41:1 42:11 76:21 dividing 45:12 doc 3:2,6,10 docket 63:21 document 20:3 20:5,7,12 22:6 25:2,6 37:4,6,8 38:7 43:9,11 43:24 46:14,16 91:25 92:3,13 92:16,24 93:3 documentary 20:25 doing 35:24 66:15 downtown 65:18 drafting 72:6
--	---	--	--

[drawing - exist]

Page 10

drawing 92:6 92:10 drawings 18:6 27:19 51:22 53:18 82:18,20 82:21,22,22 83:3,11,16 drew 4:18 7:20 92:16 drill 24:14 drills 28:9 driven 40:19 drivers 45:2 drop 69:8,20 due 74:25 duly 12:14 duties 15:11 68:17 dx 6:4	ecro 2:25 effect 52:6 53:6 53:9 78:16 effective 23:18 23:19 29:18 38:21,23 50:6 56:15,17 57:1 57:10,17 59:3 59:22 60:11 94:20 eight 64:13 either 10:7 30:7 34:5 40:21 50:10,11 69:22 72:6 elected 73:23 embellish 69:22 emphasis 84:16 employees 9:13 employer 14:23 encumbers 29:25 encumbrances 29:2 engagement 74:14 ensure 8:20 entered 93:20 entity 17:10 entry 63:21 equal 52:8,18 52:20 53:10,13 54:15,19 55:16 57:20 72:2	79:20 84:14,24 85:5 equals 59:4 equivalent 54:6 error 73:1 es 6:4 essentially 18:23 22:18 23:25 35:1 41:1 78:2 94:17,22 estate 14:25 15:1 16:4 19:14 24:18,18 30:8 36:22 66:12,14 78:20 89:16,18,19,21 estimate 15:21 32:16,24 33:2 33:8,10,13,19 38:18 39:6 54:25 estimated 23:17,19 24:7 47:11 50:1 55:5,19 73:1 estimating 56:23 estimation 32:20 55:21 60:5 evaluations 48:5 evans 4:20 everybody 50:24 96:1	evidence 7:9 37:20 62:23 70:25 71:2 evolving 78:16 exactly 40:10 74:14 exam 14:11 examination 12:19 63:2,9 63:12 89:2 92:1 95:7,9 examined 12:16 example 24:12 25:13 35:25 36:4 94:5 exams 14:9 exclude 66:10 excluded 67:19 exclusively 68:15 excuse 36:5 39:23 47:17 56:6 73:4 76:11 77:12 excused 95:19 executive 23:4 25:8,12 44:24 45:16,18 47:25 48:9,15,16 exhibit 20:16 62:15,20,22 exhibits 37:19 50:20 exist 17:24 75:10 76:3
e	e 2:21,21 4:1,1 6:1,10 7:1,1 12:23 97:1 earlier 77:2 82:9 83:25 84:3 86:14,14 88:16 89:7,8 easements 29:2 ecf 6:12,13,14 19:25 37:3,13 37:19,19 43:6 46:12 62:15,22 economic 29:17 78:15 economy 30:22 78:15		

[exists - floor]

Page 11

exists 75:25 expand 55:9 expect 32:24 50:4 51:5 expected 29:14 29:16 30:3 31:2 35:1 42:10 56:18 60:9 89:13 expense 18:7 expenses 40:3 57:21,25 59:2 59:4 expensive 33:20 experience 14:21 36:22 42:25 46:7 62:9 experiences 94:2 experiencing 54:7 expert 7:23 9:3 9:25 10:5 16:19,21 17:4 17:9,15 19:13 19:21,24 81:2 85:25 explain 23:21 25:7 27:17,23 28:6 39:9,16 40:13 44:23 47:13 48:4 51:3 54:9 explanatory 36:15	exposed 55:2 exposure 25:18 50:2,3,5,6 expound 56:16 express 51:6,6 expressed 51:9 59:5,8,12 extent 27:5 78:14 exterior 51:25 extra 7:8 extract 45:13 extracted 35:4 45:9 55:4 extremely 75:14	feasible 32:3 fed 78:25 79:3 79:4,7,10,23 federal 19:19 80:10 fee 19:3,4,8 67:21 fees 58:8 feet 22:23 feist 5:14 6:8 8:2,2 88:24,25 89:3 90:13 95:17,18 felt 74:8 75:16 field 15:17 19:13 43:3 fifth 5:18 figure 84:19 figures 59:7 79:15 file 24:21 33:7 83:5 filed 3:2,6,9 7:6 filing 75:1 final 9:9 10:14 14:10 27:9 33:10 35:13,15 93:3 finally 35:18 46:11 financial 25:23 31:25 33:25 54:2 78:12 80:4 financially 32:3	financing 40:15,22 41:1 42:5 78:21 79:22 find 11:22 fine 21:14 96:20 finish 10:19 47:22 90:25 91:20 96:16 finished 10:9 74:24 88:5,12 firm 4:3,11 14:25 15:1 17:4,6,16 firrea 18:16 first 4:5 7:9,11 12:14 17:21,23 21:23 22:25 29:11 30:15 38:1,17 39:24 40:17,18 43:19 47:18 48:6,18 51:14 56:15 68:6 82:23 83:10 92:5,6 95:12 five 72:13 91:1 96:16 fixed 80:7,9 flat 19:3,4,7 floodplain 28:24 floor 18:6 27:19 92:5,5,6 92:10 93:4 95:13,13
	f		
	f 2:21 97:1 fact 36:3 39:10 65:24 96:10,20 factors 24:11 84:23 85:5 facts 70:25 fair 34:9 45:17 94:18 fake 73:14 fallback 9:19 falls 4:23 5:12 13:3,3,19 15:2 familiar 16:4 65:12 70:8,11 81:11,13 far 39:2 fargo 2:7 4:6 4:14 5:5 feasibility 31:25 34:1		

[flow - greater]

Page 12

flow 40:16,21 40:21,23 41:5 41:7 42:10 61:2 89:13 flows 41:8 67:5 focusing 54:2 following 26:2 92:23 follows 12:16 footage 23:3 52:14 53:20 footprint 82:16 forecast 86:25 87:7,15 forecasted 24:13 foregoing 97:3 forma 18:6 40:2 56:11 83:22 formally 18:8 forming 51:4 formula 45:11 formulate 32:20 72:15 formulating 61:3 forward 91:19 four 13:9 32:1 48:9 67:11,12 fourth 48:15 51:17,21 54:12 94:18 frequently 94:4 friday 80:24	friend 20:15 front 13:22 72:14 79:16 80:15 81:22 87:21 full 78:15 fuller 5:9 fully 8:23 24:6 28:15 function 70:2 functional 28:25 funds 78:25 79:4,7,10,23 80:9,11 further 11:8 25:6 28:9 44:16,17 62:24 83:19 88:22 90:13 95:5,15	generated 31:3 42:11 generates 61:2 generating 60:12 generations 1:7 21:6 70:9 71:6 77:5 getting 63:9 75:16 give 12:9 20:2 24:24 49:1 61:24 73:22 given 89:4 gives 20:20 28:2,4 30:21 35:23 giving 26:21 51:4 glad 69:14 global 14:25 78:11,12 go 7:8 8:11 20:9 23:2 27:23 28:6 32:1 34:2,2,11 35:5,21 44:19 44:24 45:5 46:20 47:5 53:13 61:10 62:1,4 63:18 63:20 66:16 68:24,25 69:24 73:13 74:18 75:21 77:2 83:18 86:8 88:15 90:24	91:17 96:21,21 god 12:10 goes 18:23 26:16 55:18 57:24 78:18 going 7:2 10:15 10:19 11:3 12:3 24:15 30:10,19,22 33:11 36:14 37:4 39:15 41:17,18,23 55:9 59:10 60:25 61:12,24 63:20 69:21 71:13 74:22 77:11,23 78:10 81:5 86:19 88:11 96:2,5 good 7:13,19 8:2,6 12:21 36:3 40:2 64:22 65:23 75:13 86:25 89:4 91:12 95:23 gotten 44:15 graduate 13:5 graduated 13:3,10 graduating 13:7 graphical 86:15 great 91:16 greater 52:19
	g g 7:1 general 13:24 14:2 28:4 36:4 56:9 generalized 86:18 generally 14:5 14:6 28:13 40:4 41:12 51:4 52:6,8,11 54:10 67:19 70:4 72:3,4 80:1 86:22 93:15 94:2 generate 52:21 56:20		

[grid - identified]

Page 13

grid 34:16 gross 51:15 53:12 56:15,17 56:24 57:1,10 57:18 59:2,3 growing 28:15 growth 24:13 78:17 guess 20:17 37:13 45:7 57:12 61:10 81:21 85:13 96:8 guessing 41:19	81:14 83:2 85:14 87:23 hear 9:3,21 10:6 45:19 59:11 63:2 hearing 3:1,4,8 7:4 9:2 84:3 94:23 96:1 hearings 10:18 heavily 61:1 held 15:8 help 12:10 45:14 48:4 49:2 68:16 hemisphere 86:21 high 12:24 13:2,7 15:25 28:1 30:21 69:17 87:2,4 87:16 higher 34:2,2,4 34:5 40:7,7 44:18 45:1,3,5 55:14,17 57:17 71:25 72:1 84:20,24 85:2 highest 25:16 31:15,18 32:5 49:22,23 highlight 42:20 45:25 highlighted 26:7 62:4 highlighting 29:12	highlights 25:9 hills 13:10,11 13:12,16 hire 18:5 hired 16:12 17:23 18:9,21 hires 25:14 historic 75:1 historically 76:15 hits 25:9 87:11 hohn 4:25 hold 11:21 13:23 21:4 50:8 holiday 11:1 home 80:10 hon 2:22 honestly 76:8 honor 7:13,19 8:6 9:6,15 10:12,25 11:10 11:12 12:1,18 19:12,16,23 21:17 37:17 50:17 62:14,19 62:25 63:4,11 70:23 80:17 81:8 87:24 88:3,22,25 90:16 91:7,15 95:6,8,16,21 96:4,14 hope 96:23 hotbox 91:8 hour 11:20 95:22	hourly 19:2 hours 14:7,12 household 85:20 hurwitz 4:20 hushka 4:18 6:6 7:19,20 9:5 9:6,15 10:12 10:24 11:10,24 12:1,18,20 19:12 20:11,15 21:17,18 25:1 25:3 37:2,5,12 37:16,21 42:6 43:5,8 46:11 46:13 47:24 48:1,7,13 50:11,15,25 59:17 62:14,24 69:10,12 70:23 70:25 80:17 90:16 91:4,7 91:12,14,17,19 91:22,24 92:2 95:5,21 hybrid 70:24 hyde 3:25 97:3 97:8
h	h 6:10 12:23 92:19 half 9:11 11:20 73:6 95:22 hand 12:4 59:16 92:14 happen 28:14 50:5 80:20 96:15 happening 30:16,18 78:7 happens 8:16 49:20 56:19 67:13 happy 10:4 hard 11:22 90:23 harless 9:8 hastings 2:22 head 40:10 41:12 59:20 65:5 79:2		i
			idea 9:4 35:23 39:2 identification 49:13 69:19 92:15 identified 24:8 28:17 32:25 55:24 75:24

77:9,19 82:16 identifies 26:15,17,19,24 28:21 29:20 30:1 31:17 34:17,22 35:22 49:19 76:2 identify 25:14 25:18 26:12,23 26:24,25 27:20 29:3 32:1 34:15 65:10 75:7 77:9 82:15 93:22,25 identifying 28:10,14 75:9 images 95:11 imagine 10:16 impact 77:17 77:23 78:15,24 79:21 impacts 78:13 78:19 important 10:2 10:3 25:20 28:21 29:15 improved 31:20 32:7 49:25 improvement 25:20 29:6 improvements 29:7,9 30:3 32:17 39:12,13 51:12 improving 39:11	incentive 41:3 incentivize 41:4 include 66:16 66:18 67:15,25 68:3 74:9 94:11,14 included 23:3 58:21,23 66:21 66:23 67:18 86:15 includes 26:21 86:13 including 8:15 74:11 89:9 income 18:7 25:24,25 26:1 31:3 32:6 33:25 34:20,22 34:23 41:25 45:10,11,14 52:12,12,19,21 52:22 53:13,25 55:3,14,17 56:13,15,17,17 56:19,24 57:1 57:8,8,10,16 57:18,18 58:1 59:1,2,3,4,25 60:2,3,19,21 61:1,9,11,13 61:18,21,24 69:24,25 73:22 76:24 77:3,11 83:22 84:4,11 84:22 85:1,10 85:11,20,22	incorporated 83:6 increase 44:14 55:16 71:19 84:12,17 86:1 89:16 increases 75:2 increment 40:14,22 41:1 42:4 independent 32:21 89:17,18 89:19 independently 89:21 indicated 33:18 35:8,9 37:12 87:8 indication 55:14 indicator 25:23 71:21,23 indicators 54:2 individual 92:15 indulgence 87:24 industries 5:2 8:5,7 inflationary 78:17 influence 16:25 17:7,13 17:19 84:15 86:4 influenced 86:5	influences 85:7 information 18:3,4 27:7 28:3,16 30:13 30:14,21 31:12 33:7 39:25 40:2 42:18 55:4 56:7 70:5 72:14 81:22 85:14 informing 31:10 infrastructure 39:13 initial 52:3 inked 11:1 inspect 16:13 23:24 25:17 inspected 22:18 27:2 inspection 23:16 52:1 inspections 27:2 instructions 66:16 insurance 36:1 58:2,3 intended 26:17 26:18 intent 30:23 intentionally 87:25 interest 26:22 78:19,24 79:17 79:20 80:3,5 93:25
--	---	--	--

interim 60:8 internal 49:1 68:22 interstate 5:3 interview 24:16,16 75:18 75:19 interviewing 75:15 inverse 45:3 inversely 55:7 investigate 76:17 investor 60:25 61:24 73:21 74:1 investors 60:25 invite 50:18 invited 69:19 involve 11:14 involved 74:5 iowa 13:25 64:19 isolation 87:18 issued 72:18 94:19 issues 7:4 9:23 item 52:24 54:21 55:19 57:21 itemized 27:5	job 15:11 john 5:7 8:6 johnson 38:1 43:19 johnson's 38:4 joinder 3:4 joined 7:14 jointly 1:3,11 jordan 5:14 8:2 joshua 6:5 12:2 12:7,13,19,23 63:12 89:2 92:1 95:9 jr 5:7 judge 2:23 judging 39:4 judicial 80:19 81:5 96:11 july 20:20 38:18,25 39:8 44:22 46:19 72:17,19 73:8 80:21,22 82:7 94:17 jump 28:18 29:4,22 31:15 32:8 35:18 47:24 50:1 51:11 jumping 30:5 32:13 june 23:18 juxtaposed 84:12	k	81:16,21 84:5 85:14 88:8 90:1,24 93:3 93:14 94:7,9 95:3 96:20 knowledge 66:25 82:25 93:1 94:12 knowledgeable 24:17 known 70:8 krings 5:7 8:6 8:7
		kd 5:1 keep 74:4 keeping 63:19 90:21 kesha 4:16 7:21 kind 11:1 15:10 18:4 23:22 25:8,24 26:14 27:2 28:1,2,4,9,10 29:2 30:13,16 30:20,21,22 31:25 32:5,21 35:8,10,22 36:4 89:19 kindly 63:21 klobucar 5:22 know 7:10 8:10 8:20,24 9:1 10:8,10,14 11:23 19:6 20:2 22:9,12 22:21 24:12,20 27:11 29:15 30:19 33:22 35:25 36:2 38:8,24 39:4,5 40:23 41:14 50:9 54:6 57:17 62:1 65:5,7,15 67:10,19,22 74:15 75:7 78:25 79:2 80:10,18 81:13	l l 12:23 land 22:18 24:1 28:14,22 29:7 32:5,8,11 32:12 33:17 landscaping 29:10 large 15:3 largest 14:25 lastly 94:15 late 87:16 latest 66:1 68:4 68:10 law 4:11 5:1 17:4,6 lead 74:7 85:3 85:25 leads 82:13 learn 17:21 96:18 lease 40:4,8 47:18 55:19 56:10 72:9

[lease - market]

Page 16

73:1 77:21,23 85:2 leasing 78:20 ledanski 3:25 97:3,8 left 48:15,22 54:12 55:12 59:22 68:23 72:21 73:25 85:15 91:25 92:3 95:12 legal 97:20 legally 31:23 32:2 level 28:1 30:21 31:6 69:17 liability 30:9 license 13:24 14:2 licensed 14:13 15:5 68:18 licenses 13:23 14:16 licensure 14:4 life 29:17 likely 11:14 25:22 61:23 73:21 75:14 limiting 35:19 35:20 line 23:11 48:18 52:23 53:19 54:21 55:19,20 57:21 59:1 76:19 87:11,14	list 11:8 little 14:22 28:9 41:23 44:25 55:10 63:22 69:1,2 78:10 83:19 87:5 live 8:23 llc 1:7,15,23 17:10,22 94:1 llp 4:20 loan 80:6,6,7 80:10 local 24:16,18 24:18 30:14,17 31:8 74:25 75:3 located 28:2,24 64:3 70:14 location 25:13 49:5,7 lofts 65:12,23 93:9 94:7,11 logistics 8:11 9:24 long 24:9 71:5 78:13 80:7 88:8 90:14 longer 10:17 80:9 90:24 look 10:19 11:3 11:6 19:3 24:11,23,25 25:5 31:19 33:9 34:23 37:22 41:18 44:21 45:16,18	50:5 52:23 56:8 77:2 81:15 83:3 85:16,17 87:17 92:12 93:17,18 93:22 looked 16:15 22:17 looking 20:25 21:4 23:10 24:11 35:16 50:9,13,15,19 56:10 59:7 69:11 73:25 87:25 looks 45:1 64:21 85:9,19 87:4,10,14 losing 53:19 loss 35:1 56:19 56:25 lot 8:12 30:12 39:12,13 lots 29:9 lower 45:5 54:20 55:13,13 57:19 85:2 luther 6:5 9:7 12:2,7,13,19 12:23 17:21 19:13,19 20:3 25:4 42:23 45:20 50:11 62:7 63:12,14 63:24 69:6 81:11 88:17 89:2,4 92:1,3	95:9,11 luther's 90:22 m m 4:25 5:7 mac 20:24 macro 30:13 30:23 macroecono... 30:13,15 madam 63:18 64:9 68:23 85:15 made 9:9 60:1 mailing 49:7 maintenance 58:6 make 8:9,22 10:20 34:17,19 50:19 73:5 77:3,20 79:18 88:4 makes 57:18 57:19 making 60:9 manage 15:2 management 58:8 map 28:3 64:2 86:14,18,19 march 23:20 64:17 65:21 marginal 86:1 mark 87:11 market 16:5,16 24:16,24,24 28:5 30:10,12 30:14,18,25,25
---	---	---	---

[market - nationally]

Page 17

31:1,3,7,9 33:23 34:5,5,6 35:4 40:3,11 41:6 45:9 50:4 54:7,13 55:2,4 56:2,4 70:2,6 71:22 72:5 75:3,6,7,10,15 75:18 76:3,9 77:20 78:3,9 86:4,6,9,12,15 86:25 market's 71:24 marketable 36:3 marketing 25:18 50:7 marketplace 63:17 markets 78:12 marshall 32:19 33:1 martin 18:2 master's 13:18 material 49:3 85:3 math 59:20 mathematical 45:10 matter 1:5,13 1:21 8:18 18:25 68:20 96:12 matthew 38:1 38:4 43:19 maurice 4:8 7:14	maximum 31:25 mean 8:25 67:13,18 75:24 76:3 means 9:24 27:17,18 measured 51:25 measurement 82:14 measurements 51:24 median 85:10 85:11,22 mediator 96:11 meet 14:11 member 94:1 members 94:3 membership 93:25,25 94:8 memory 71:10 77:12 methodologies 46:2,3 methodology 27:9 36:10 42:17 57:2 metric 72:10 michael 18:2 38:3 43:20 mid 15:25 middle 41:24 midwest 86:20 mile 8:23 million 39:8,16 39:16 44:13,14	44:22 66:7,11 mind 74:4 90:17 mineola 97:23 minimum 14:7 minneapolis 5:20 38:4 43:21 minnesota 13:25 64:19 minus 59:2 minute 11:19 81:1 91:1 minutes 10:17 63:2 96:8,16 96:16 missed 11:15 missing 88:4 mister 71:8 mix 27:21 29:14,19,20 mixed 15:24 60:23 64:25 mn 5:20 moment 20:1 20:18,20,22 64:5 87:25 94:16 95:12 momentarily 62:2 monday 2:9 10:25 11:4 month 55:25 59:19 60:4,10 72:9 84:4,8,17 84:17	monthly 53:13 59:5 months 51:2,2 60:8 72:13 morning 10:16 90:19,22 96:1 96:23 mosbach 21:23 motion 3:1,5,9 7:6 move 78:5 movement 81:17 moves 9:17 45:4 moyna 38:3 43:20 multifamily 15:25 30:24 31:4,7,8 60:23 86:12 multiple 18:17 32:18 42:23 56:2 62:7
n			
n 2:5,6 4:1 6:1 7:1 97:1 name 12:6,22 12:22 18:2 25:13 48:19,25 49:1 named 72:4 national 30:16 30:20 31:6 32:19 nationally 30:16			

<p>nature 18:7 nd 2:7 4:6,14 5:5 near 41:19 70:21 71:18 nearly 39:8 nebraska 14:1 64:19 necessarily 34:3 74:16 75:25 76:4 82:7 86:3,7 necessary 74:13 need 9:9 14:7,8 14:10,11 24:15 40:19 65:15 68:1 81:5 86:17 96:7 needed 7:8 59:23 negative 75:3,5 negatively 55:18 neighborhood 28:8,11,17 net 40:12,20 41:9 42:12 45:11 59:1,4 59:25 83:22 84:4,11,17,22 85:1 89:5 new 73:13,17 74:12,19 82:18 82:20 90:7 news 74:25</p>	<p>noi 45:14 nope 33:1 normal 16:10 north 1:2 4:5 northeastern 86:22 northern 4:13 note 11:13 notes 50:6,20 notice 80:19 81:5 noticed 94:24 november 2:9 94:25 number 7:3 14:7,12 25:14 25:22 28:23 41:24 42:14 48:10 49:13 55:3,6 57:19 59:25 63:8 84:1 87:6 93:15 numbers 36:9 49:11 71:7 ny 97:23</p>	<p>objective 80:4 observation 77:17 observed 28:25 obtain 13:12 13:20 obtained 13:18 obviously 28:3 occasionally 40:15 occupancy 24:4,4,7 54:4,5 54:11,18 55:24 56:20 57:17 69:5,20,25 71:20 72:1 76:22 77:13 78:1,4 occupied 24:5 88:20 occur 75:5 occurring 74:24 october 44:3,5 44:23 94:25 offer 19:13 30:2 37:13,16 62:15 82:4 office 8:17,17 15:2 43:21 96:3 official 93:3,6 oh 13:21 21:8 45:21 50:14 87:13 93:2 okay 7:17,25 8:9 9:12 11:3,6</p>	<p>12:3 18:10,24 20:4,18,22 21:10,16 22:5 36:19 40:11 42:7,13 44:19 44:24 45:24 49:5 50:18,21 50:22 63:1,7 64:4,25 65:6 65:23 66:1,10 67:1 70:14,21 72:21 73:13 74:18 75:21 76:19 78:24 79:13 80:14 81:1,9 83:8 84:8,11,19 85:8,22 86:23 87:15,19 90:14 92:17,21 94:15 95:5,25 96:3 96:22 old 73:25 82:21 97:21 once 60:24 open 11:5 operating 40:3 45:11 56:11 57:21,25 59:1 59:2,3,4,25 76:21 83:22 84:11,22 85:1 opine 82:1 opinion 18:12 23:23 25:17 26:16,20 30:2 31:13 32:12,21</p>
	<p>o</p>		
	<p>o 2:21 7:1 92:19 97:1 objection 3:8 19:15,23 37:15 50:8 62:17,18 62:19 69:10,14 69:15 70:23 71:14 80:17 81:3</p>		

<p>35:3,14 38:19 40:20 47:9,11 49:23 51:5 55:25 61:3 72:11 73:7,21 74:16 82:4 85:25 89:5,12 93:1 94:21,23 opinions 16:25 31:10,13 36:19 36:21,24 42:23 42:24 44:8 46:6 47:6 62:7 62:9 72:15,17 75:16 94:16,19 opportunities 76:2 opportunity 75:7 opposed 53:15 order 9:3 10:10 35:13 originally 94:24 outcome 19:7 19:10 outlined 25:6 outlines 42:9 outside 8:19 50:20 overall 34:25 54:21 55:2 81:17 overarching 18:19 overnight 79:23 90:21</p>	<p>overrule 71:13 overview 14:22 23:11 28:4 30:21 own 32:21 68:15,21 owned 17:10 owner 90:1,3,7 owns 89:25 90:1,4</p>	<p>pages 30:20 41:24 62:15,20 64:6 69:2 86:14 paid 18:22,24 18:25 58:19 paragraph 78:18 parcel 25:14 28:23 49:11 parking 29:9 29:17 parkside 1:15 70:9 71:6 77:7 88:19 part 11:16 48:10 81:17 83:5 partially 74:23 participants 24:17 34:6 75:3,7,15,18 particular 10:4 26:6 31:5 38:14 42:20 59:15 75:19 94:10,23 particularly 10:3 parties 8:9 party 10:7 24:23 67:6 70:4 90:10 93:21 pass 14:9,10,11 past 90:14</p>	<p>pay 34:6 59:23 61:4 79:22 payment 40:24 payments 58:18,21,23 payroll 58:10 pc 5:9 penciled 11:1 people 7:11 8:12,14 43:18 percent 24:4 39:5 53:19 54:8 69:8,9,20 70:21 71:18 79:7,8,14,14 80:12,16 84:17 88:19 percentage 24:14 perfect 20:6 63:22 64:11 perform 14:12 67:11 performed 76:15 performing 15:13 71:24 75:6 period 14:14 55:20 56:10 72:10 73:1 77:21,23 85:2 87:3 permissible 31:23 permit 90:24</p>
	<p>p</p>		
	<p>p 4:1,1 7:1 p.o. 5:4 pacific 4:13 package 19:3 page 6:2,11 21:19,20 22:2 22:20,25 23:10 23:10 25:2 26:2,12 27:23 27:25 28:6,18 29:4,22 30:5 30:10 31:15 32:8,13,25 34:11,11,20 35:5,18 37:23 38:11 41:22 43:15 44:7 46:12,20 47:5 47:24 48:10 63:20 64:10 68:24,25 69:2 73:13 74:18,20 78:8,9 83:18 83:19 85:16,17 86:8 88:15 91:25,25 92:9</p>		

[permitted - profit]

Page 20

<p>permitted 30:1</p> <p>person 7:20 9:14,18,21 10:7</p> <p>perspective 70:17</p> <p>phillips 5:11</p> <p>phone 8:18 87:25</p> <p>phones 8:20</p> <p>photographs 22:16</p> <p>physical 49:7 82:14</p> <p>physically 31:24 32:2</p> <p>picture 81:17</p> <p>place 1:15 8:19 61:12 78:14 88:19</p> <p>plan 18:6 27:19 92:5,10</p> <p>plans 27:16 52:3 82:9 93:4 93:6</p> <p>please 12:6,21 20:2 37:3 43:18 48:10 55:10 63:18,20 68:24,25 74:18 78:8 83:18 85:16,16 86:8 87:9 88:15</p> <p>pllc 5:1</p> <p>point 36:7 51:7 51:9 71:23 74:22 80:18,25</p>	<p>81:3</p> <p>policies 8:19</p> <p>popped 85:22</p> <p>population 24:13,15</p> <p>portion 31:16 35:19</p> <p>portions 45:24</p> <p>position 14:23 79:3</p> <p>positions 15:8</p> <p>positive 84:15 85:6</p> <p>possible 9:18 31:24 32:2,3 96:21</p> <p>postpone 9:24</p> <p>potential 56:23 75:4 76:2 78:13,17 93:9</p> <p>potentially 9:6 93:24</p> <p>practice 16:10</p> <p>pre 20:2</p> <p>preference 9:20 10:6</p> <p>prejudice 16:25</p> <p>prepared 43:12 46:17 47:2 68:15 82:4 92:15 95:1</p> <p>preparing 81:15</p> <p>present 7:16 9:25 23:25</p>	<p>29:3 40:12,20 41:8,9 42:12 76:7,9,11 84:5 84:5 89:5,14</p> <p>president 78:10</p> <p>pressures 78:17</p> <p>presumably 68:3</p> <p>pretrial 10:14</p> <p>pretty 92:19</p> <p>prevailing 86:1</p> <p>previous 40:9 40:13 68:16 82:17</p> <p>previously 66:6</p> <p>price 19:5 45:12 80:8 86:9 87:1</p> <p>priced 80:6</p> <p>primarily 39:10,24</p> <p>primary 31:3 45:2 60:25 61:24 73:22</p> <p>prime 79:13 80:2,3,7</p> <p>principal 7:16</p> <p>prior 16:18,23 17:3 24:3 42:15 50:6 53:16 54:8 55:6 57:2 60:11</p>	<p>pro 18:6 40:2 56:11 83:22</p> <p>probably 11:17 15:21,22 39:5 41:18,19 72:3</p> <p>problem 8:25 50:16</p> <p>procedure 14:19</p> <p>procedures 14:16</p> <p>proceed 12:17 37:2 91:23</p> <p>proceeding 14:19</p> <p>proceedings 96:25 97:4</p> <p>process 7:5 14:6 18:23</p> <p>produce 52:19 53:25 57:16</p> <p>produces 52:11</p> <p>producing 52:12 57:8</p> <p>product 44:20 59:1</p> <p>productive 32:4</p> <p>productivity 32:1</p> <p>professional 13:23</p> <p>profile 74:1</p> <p>profit 35:1</p>
---	--	---	---

[progressed - read]

Page 21

progressed 44:17	57:8,16,19 58:2,3 60:9	92:6,11	quickly 96:19
project 22:21 32:24 41:4 60:6 65:18	61:2 63:15,16 65:12,17 67:3 67:8 72:10	providers 24:23 70:5	quiz 86:17
projected 30:7	74:23 75:2,5	provides 32:20	quoting 67:20
projection 56:13 69:20 71:7	75:25 76:4,10 76:12,13 77:18 78:1,2 82:10	providing 96:1	r
projects 24:19	84:13 89:22,24 90:1,2,3,5,10	proximity 28:12	r 2:21 4:1 7:1 12:23 92:19 97:1
promise 88:13	property's 30:7	publicly 94:3	raise 12:4
properties 33:5 60:23 64:13 66:15 71:18,22 76:14,20,22,24 77:1,14 78:3,6 93:14	proposed 17:24 29:13 30:3 32:16 39:12	pull 19:25 43:5 46:12 48:8,11 66:6 92:9	range 11:19 51:6,8
property 14:3 16:13 17:24 18:13,13,18 22:17 23:8,24 24:2,4 25:9,13 25:17,19,25 26:23,25 27:1 27:3,10 28:1 28:12 29:15,16 29:25 30:8 31:2,18 32:22 33:11,11 34:15 34:23,24 35:2 36:1 39:14 48:18,25 49:2 49:2,8,14,24 52:12,17 53:24 53:25 54:5,25 55:1,5,22 56:14,18,25	proprietary 93:19	purpose 26:19	rate 24:7 34:25 44:25 45:3,4,6 54:22 55:1,3 55:12,13,16,17 69:5 71:19,20 78:25 79:4,7 79:10,13,23,23 80:2,2,3,4,5,7 81:24 82:1,6
	provide 14:22 16:11 18:5,12 18:15 19:5 22:16 23:11 24:24 25:11 38:11,14 40:16 41:2 44:8,14 47:6 60:15 61:5 66:3 70:5 73:7,19 93:21 94:22	push 11:19	rates 35:4 45:4 78:19,25 79:4 79:17,20,24 80:19 81:5 86:1,4,5 88:16
	provided 16:19 18:3,4,17 25:12 27:16,18 29:1 36:19 44:11 51:22 53:18 61:19 82:18,23 89:12	put 9:15 20:17 34:16 42:4	ratings 28:24
		q	ratio 45:10,13 55:3
		quadrupled 73:2	rattle 81:14
		quantified 75:15	rcx 6:4
		quantify 75:11	rdx 6:4
		quantifying 75:13	reach 36:21,24 42:24 46:6 55:25 62:8,11
		quentin 2:5	reaching 23:7
		question 53:14 61:10 65:4 71:12,15 75:13 90:25 92:23 95:8	read 74:22 78:10 87:10 92:20
		questions 15:16,18 45:17 62:24 88:12,24 90:13 95:5	
		quick 11:4 43:18 45:18 59:21 91:1	

<p>reading 52:2 85:9 87:1,12 ready 63:9 real 11:4 14:3 14:25 15:1 16:4 19:14 24:18,18 30:8 36:22 66:12,14 67:13 78:20 89:16,18,19,21 89:21 90:2 realize 45:21 50:23 really 51:7 82:24 90:25 reason 8:21 19:8 33:23 40:6 48:24 49:3 67:7,9 94:10,14 reasonable 36:24 43:2 45:22 46:9 62:11 74:8 77:25 reasonably 96:9 recall 41:16 74:14 83:2 recaptures 35:10 receive 83:8 received 83:11 83:12 receivership 77:15</p>	<p>receives 21:16 37:18 62:20 recent 47:2,6 51:23 53:4,5 53:15 56:1,21 57:13 60:15 62:15 63:25 65:8,9,10 66:24 68:14,20 69:23 70:20 72:12,24 73:23 75:1 79:5 83:12 93:5 recently 74:24 77:15 recess 96:5,8 96:22 recitation 81:6 recognition 19:20 recognize 19:24 20:6,9 37:6 43:9 46:14 recognizing 76:6 recollection 72:8 79:6 89:11 reconcile 26:5 33:10 34:18 35:13 reconciled 25:10 26:4 33:16 35:16 reconciliation 35:7 41:20</p>	<p>42:2,5 73:20 record 11:23 12:6,22 63:6,7 97:4 recorded 93:18 94:3,4,5 records 93:16 93:17 recross 95:9 red 3:1,4,8 4:12,21 6:14 7:7,17,22 9:14 9:21 11:10 12:1 16:21,24 18:1 20:13 37:9 43:12 46:18 49:20 74:10 83:11 redirect 90:15 90:18 92:1 reducing 89:14 reference 63:20 81:12 referenced 70:1 77:1,7,21 88:16 referencing 87:6,7 referring 76:23 reflect 76:5 reflection 44:17 reflects 23:23 24:2,6 refresh 79:6 regarding 31:11 40:12</p>	<p>region 86:20 86:23 regional 21:25 38:3 43:21 relate 94:16 related 34:8 55:7 relates 14:16 14:19 18:17,25 41:11 47:3 relatively 11:14,15 90:17 relaying 76:6 relevant 67:25 67:25 rely 27:19 remain 12:3 36:11 49:9,15 78:13,21 remained 49:16 remele 5:16 remember 10:23 17:25 41:10 49:2 50:5 73:11 82:11 93:10 remote 9:16,18 remove 67:16 removed 77:15 removes 66:1 rent 52:14,16 53:25 56:24 65:14,16 70:19 76:25 77:10 rentable 52:13 53:24 56:24</p>
---	--	---	---

<p>rental 70:17 71:4,19 77:2 86:1,4,5 rents 34:5 40:3 repairing 21:8 repairs 58:6 repeat 71:15 repeats 18:23 report 6:12,13 6:14 22:8,9,16 22:21 23:4 24:8,8,22 26:17,18 31:16 35:22 36:5,8 36:11,12,20 37:3,13 38:9 38:11 40:9,11 40:13 41:13,21 42:14,15,21,23 43:6,12,14,25 44:1 45:19,24 46:2,6,17,24 47:2 48:9,14 48:15 51:9,18 51:18,21,23 52:2 53:1,4,5 53:15 54:8 55:24 56:1,7,8 56:22 57:3,13 58:1 59:6,16 60:15 62:3,8 62:16 64:1 65:13,14,16,17 66:19,24 68:18 68:21 69:23 70:2,20 72:12 72:12,18,19,19</p>	<p>72:21,24 73:10 73:13,18 74:19 77:3 79:4,5 80:23 81:12,15 82:4,6 83:6,10 86:8 89:7,9,11 93:5 94:11,18 94:20 reports 18:17 36:15 44:11 46:4 49:9 51:1 53:16 68:16 72:7 82:17 89:8 95:1 representations 86:16 representative 18:1 representatives 7:22 9:13,13 9:21 10:6 represents 24:1 94:20 request 9:16 40:17,17 requests 16:12 required 50:4 66:18 73:19 requirement 18:16 requirements 14:4 30:4 reschedule 10:15 research 27:4 27:6 40:1 82:2</p>	<p>researched 65:7 researching 35:25 81:15 93:15 reserves 58:14 residential 53:20 respect 62:8 respectfully 21:3 response 69:16 responsibiliti... 15:11 responsibility 22:7 38:9 43:25 46:25 68:19 result 78:16 resulted 84:24 results 38:8 54:20 55:14 73:20 resume 63:3 95:25 retail 22:24 retained 18:8 18:11,18 24:21 33:7 retainer 18:19 retaliatory 78:14 return 32:5 revenue 54:19 54:19 71:4 84:17 89:23 90:6,9</p>	<p>review 15:17 89:10 93:22 reviewed 52:4 93:5 right 11:7,24 12:4 19:2 20:6 20:15 21:8 23:7 26:10 37:2,22 38:3 38:10 39:7 41:24 42:10,17 46:11 47:9 48:14,16,18,22 50:1 51:1,11 54:12 55:15 56:9 59:16,21 64:10,21 67:4 68:4,11,24 73:14 74:19 78:9 79:10,17 80:13 81:18 83:19 85:4,16 86:9 87:3,11 87:12,17 88:15 89:6,8,23 90:5 91:22 92:8,9 92:12,12,13,14 95:13,25 96:3 96:22 rights 26:23 rise 15:25 63:5 96:24 risk 75:2,9,9 75:11 76:7 river 3:1,5,8 4:12,21 6:14 7:7,18,22 9:14</p>
---	--	--	--

[river - several]

Page 24

<p>9:22 11:10 12:1 16:21,24 18:1 20:14 37:9 43:13 46:18 49:20 74:10 83:11 road 97:21 roll 78:5 rough 9:4 39:6 roughly 81:20 ruins 1:23 7:3 16:2 17:10,22 18:13 22:12,21 23:12 38:12,25 41:11 44:4,8 47:3,7,10 48:22,23 59:23 60:22 61:20 63:8 70:18 89:6 run 9:22 66:12</p>	<p>93:23 saying 76:9 says 74:23 76:19 92:19,20 scheduling 96:11 school 12:24 13:2,7 schooling 13:16 scope 26:14,15 35:23 scott 21:23 screen 20:3 31:6 68:24,25 72:7 81:16 95:12 scroll 20:8 22:2 22:20 25:1 27:15 30:19 31:7 38:10 41:15,23 42:3 44:2,7,25 46:19 48:6 63:21 64:5,10 69:1 74:19 78:8 86:18 scrolled 42:13 sd 4:23 5:12 search 42:1 seated 12:4 second 6:12 37:10,13 38:2 38:11 43:20 78:18 80:23 83:4 95:13</p>	<p>secondary 41:6 seconds 88:4 88:10 section 25:7,8 25:23 26:7,13 26:14,22 27:6 27:9,24 28:7,8 28:19,20,21 29:5,6,7,23,24 30:5,6,11,12 30:15,15 31:5 31:17 32:9,10 32:15 33:2,14 34:20,22,25 35:6,7,8 41:13 41:15,16,20 42:5 56:11 69:24 76:1 78:9 sections 36:7 42:14 62:3 secures 79:24 see 7:23 20:3,4 20:9 22:23 41:17 44:2 46:18 48:2,14 48:19 51:12,15 52:24 54:22 57:22 60:16 65:7,15 69:5 72:23 73:4 78:22 83:23 85:13 87:4,13 88:1 91:20 92:3,9 93:17 94:4 96:23</p>	<p>seeing 22:24 seems 10:2 segment 30:18 30:25 31:1,3 86:13 segments 31:1 selected 34:14 65:10 sellers 79:21 selling 94:13 senior 21:24 sense 73:5 86:19 sent 78:12 sentence 11:16 78:18 separate 18:20 37:4 66:12 89:20 95:1 separated 66:13 67:3,8 89:20 separately 18:18 september 38:23 94:24 service 16:11 32:19,19 58:16 services 18:25 59:23 93:21 set 41:2,10 95:3 sets 64:6 setting 11:23 settled 10:23 several 64:6</p>
s			
<p>s 4:1 6:10 7:1 92:19 sale 45:12 50:4 63:14 64:25 84:21 86:9,25 93:9,12,21,25 94:7,8,11 sales 32:11 33:24 34:6,12 34:13,14,16,17 34:19 40:1 45:13 60:19 61:9,18 63:25 64:16 65:9,19 93:12,13,18,19</p>			

[shockwaves - spread]

Page 25

shockwaves 78:12	signify 92:25	six 51:2,2	85:10 92:23
shon 2:22	signifying 93:2	size 22:24	sort 73:5 74:22
short 10:16	signing 22:5	25:21,21 27:20	sound 66:8
79:23 80:3	38:7 43:23	27:20,21 28:23	sounds 59:21
90:20	46:24 68:16	29:14,14 52:23	84:18
show 24:22	similar 33:5	53:15	source 36:10
86:15 94:6	36:15 42:14,17	sizes 23:7	39:25
showing 29:11	46:3 47:16	skipped 55:19	sources 26:25
31:5 59:16	53:14 63:15	slightly 27:15	27:7,16 32:18
shows 22:23	76:20	44:7	56:3,5 70:1
23:15 28:3	similarly 90:9	slower 78:16	72:5 93:16,24
60:3 86:9,25	simply 27:18	small 92:20	south 5:11,19
88:19	29:24 44:18	smaller 51:17	13:8,25 16:7
shultz 5:9	45:10 68:20	51:20 52:3,7,8	64:19,23 65:1
side 20:16 48:8	70:1	53:3,5,12	70:15 81:24
48:8 59:16	single 51:7,9	smith 4:20 5:9	85:11 86:11,19
63:19,19 68:23	67:12	snapshot 94:17	86:22
68:25 73:25	sioux 4:23 5:12	95:4	space 22:24
88:15 92:14	13:3,3,19 15:2	softening	span 67:12
sign 68:18	sir 12:21,24	54:11,13	speak 11:2
signature	13:5 14:17	sold 41:6 63:16	15:12 85:13
21:23,25 22:3	16:1 17:20	65:20,21,24	96:18
22:4 38:1,2,5	19:1,11 21:20	67:5 89:21,23	speaker 91:11
43:19,20,22,22	26:13 27:24	90:2,5 93:14	speaking 14:5
46:21 68:7,10	36:6,23 37:6	94:1	16:18 39:7
97:5	37:22 42:19	solemnly 12:8	52:6
signatures	43:9 44:12	solutions 97:20	specific 18:10
21:20,22 37:23	46:14 48:2,7	somebody 8:18	28:10,13,14,17
43:16 68:7	48:14 54:22	67:20	30:14,25 31:9
significance	62:1 92:9	somewhat	69:19 76:12
51:3 92:17	sit 81:24	44:20	specifically
significant	site 22:14,15	sonya 3:25	72:4 77:21
47:13	28:20,22,22	97:3,8	spelling 12:22
significantly	29:1,7,9,9,13	sorry 45:21	spent 85:8
85:1,2	32:6,16,17	59:10 64:11	spoken 72:3
	39:11 52:1	69:2 71:16	spread 80:6
		73:14 81:22,23	

<p>spring 20:24</p> <p>springing 20:1</p> <p>square 22:23</p> <p>23:3 52:14</p> <p>53:20</p> <p>stabilization</p> <p>44:20,21 47:19</p> <p>stabilize 24:9</p> <p>55:22</p> <p>stabilized</p> <p>18:14 23:18</p> <p>24:6,7,7 35:2</p> <p>38:22 39:19,24</p> <p>40:1,5,7 44:10</p> <p>45:11 47:17,19</p> <p>54:3,6 55:24</p> <p>56:13,20 60:2</p> <p>60:3,11,24</p> <p>61:14 69:5,20</p> <p>69:25 71:19,25</p> <p>76:22 77:13</p> <p>78:1,4,6</p> <p>staff 15:2,15</p> <p>19:25 38:2</p> <p>43:19 68:22</p> <p>stamp 21:5</p> <p>92:22</p> <p>stamps 92:24</p> <p>stand 96:22</p> <p>standard 35:21</p> <p>stanley 4:17</p> <p>7:20 91:1,3</p> <p>start 15:6</p> <p>31:22 56:23</p> <p>started 13:2,8</p> <p>94:24</p>	<p>state 3:1,5,8</p> <p>4:12,21 7:7,18</p> <p>7:22 9:14,22</p> <p>12:2,6,21 13:8</p> <p>13:10,11,12,17</p> <p>13:24,25,25,25</p> <p>14:9 16:22,24</p> <p>18:2 19:20</p> <p>20:14 37:10</p> <p>43:13 46:18</p> <p>49:20 58:23</p> <p>74:11 83:11</p> <p>86:23 95:21</p> <p>statement 18:7</p> <p>35:1</p> <p>states 1:1 2:4</p> <p>14:5 15:5</p> <p>86:20</p> <p>status 22:12</p> <p>38:24 44:4</p> <p>70:6</p> <p>stay 91:5</p> <p>steps 32:1</p> <p>stigma 75:3,4,5</p> <p>75:17 76:6</p> <p>stipulate 20:16</p> <p>20:21 21:11,14</p> <p>stipulating</p> <p>20:19</p> <p>stop 90:23</p> <p>stopped 69:15</p> <p>stopping 95:25</p> <p>straight 7:8</p> <p>street 4:22</p> <p>5:18,19</p> <p>strengths 76:2</p>	<p>strictly 40:19</p> <p>stroh 92:19,25</p> <p>strong 9:20</p> <p>10:6</p> <p>structured</p> <p>40:25</p> <p>studied 16:15</p> <p>86:13</p> <p>studies 72:5</p> <p>study 82:3</p> <p>subcategories</p> <p>51:14</p> <p>subcategory</p> <p>54:3 56:15</p> <p>57:24</p> <p>subject 14:15</p> <p>14:18 18:13</p> <p>28:12 30:18</p> <p>31:1,2 33:6</p> <p>34:14 35:2</p> <p>49:14 55:1,5</p> <p>60:24 65:2</p> <p>75:2,25 76:20</p> <p>78:2</p> <p>subsequent</p> <p>67:16</p> <p>suggest 70:22</p> <p>71:19</p> <p>suggested</p> <p>74:13 79:6</p> <p>suggestion</p> <p>10:20</p> <p>suite 4:5 5:11</p> <p>5:19 97:22</p> <p>sum 84:20</p> <p>summaries</p> <p>45:19</p>	<p>summarize</p> <p>25:15,16 26:3</p> <p>28:19 29:4</p> <p>32:14 33:15</p> <p>summarized</p> <p>42:11 77:11</p> <p>summarizes</p> <p>25:24 29:14,25</p> <p>30:7 33:2,15</p> <p>34:13 35:8,11</p> <p>49:23</p> <p>summarizing</p> <p>27:2</p> <p>summary 23:5</p> <p>25:8,11,12</p> <p>28:2 34:9</p> <p>44:24 45:16,18</p> <p>47:25 48:9,15</p> <p>48:16 57:15</p> <p>65:16 84:25</p> <p>94:18</p> <p>supervise</p> <p>15:15</p> <p>supervises</p> <p>14:13</p> <p>supervisor</p> <p>38:5</p> <p>supply 86:5</p> <p>supported</p> <p>33:23 34:4</p> <p>suppose 68:5</p> <p>supposed 8:11</p> <p>22:22 31:19</p> <p>sure 9:11 11:7</p> <p>21:4 23:23</p> <p>39:5 40:10</p> <p>43:2 50:19</p>
--	---	---	---

55:11 65:4 76:8 79:9 87:6 88:4,7 91:2 surrounding 28:22 survey 77:3,10 77:13,23 suspect 20:21 88:5 sustained 81:4 swear 12:4,8 sworn 12:14 swot 76:1 systems 5:17 8:8	talk 14:21 27:1 31:22 35:12 78:10,24 talked 10:24 82:9 93:8 94:15 talking 10:20 28:13 57:12 talks 27:9 35:15 tanabe 4:16 7:21 tariffs 78:11,13 78:14,16 79:1 tax 30:6,9 40:14,22 41:1 42:4 49:13 technical 13:19 technique 26:4 34:15 35:10,12 techniques 27:12 35:17 teleworking 8:19 tell 12:15 87:9 tenant 24:3 tenants 60:24 78:4,5,5 term 79:23 80:3,7,9 terms 9:2,25 10:10 34:5 75:11 79:22 terrific 11:21 territory 15:4 testified 12:16 36:20 42:24	46:7 55:6 71:2 83:25 testify 71:14 testifying 9:5 9:14 80:18 81:4,18 testimony 9:3 9:21,25 10:5 11:9 12:8 16:19 71:3 84:3 testing 33:25 texts 88:1 thank 10:12,13 12:1,18 19:18 20:23 21:12,17 50:17,24 59:14 63:4,11 69:3 74:20 83:19 88:11 91:7,24 95:15,18,20,25 96:14,19 thanksgiving 10:25 therefrom 71:7 thereof 74:11 thing 91:12 things 15:18 18:7 27:22 29:10 52:18 56:9 think 7:9 9:2 10:22,24 11:7 18:2 21:5 31:17 32:21,25 33:10 35:13 36:6 37:3	48:12 57:16 64:9 71:1 72:4 80:24 90:16,19 92:19 96:21 third 6:13 24:23 43:6,13 43:22 48:9,14 51:18,21 54:11 55:12 67:6 70:4 83:4 89:9 89:10 90:10 93:21 thought 20:19 20:24,24 21:13 72:23 82:3 thousands 15:22 threat 75:24 threats 76:3 three 11:14,18 14:6 21:8 23:22 35:16 38:14,16 48:5 51:14 68:6,7 95:1,2 tif 40:12,14,20 40:24 41:10,14 41:16 42:11 66:1,7,15 67:7 67:16,22,23,24 68:2 89:5,13 89:16,23,23,25 89:25 90:4,5,6 90:9,10 time 7:8 11:23 14:14 16:17,18 17:24 18:3,18
t			
t 6:10 12:23 92:19 97:1,1 tab 48:11 table 27:7,15 29:11,19 41:19 59:15 take 7:9 10:16 10:17 14:8 20:1 24:9 41:7 43:25 46:25 51:5 55:22 63:1 68:19 71:5 80:19 81:5,16 88:2,3 88:10 91:1 96:7,16 taken 8:10 51:24 takes 30:12 82:2			

[time - unimproved]

Page 28

18:21,23 19:12 21:24 22:14,19 25:18 38:3 39:1 42:21 44:6 50:2,3,3,5 50:6,7,15 51:5 51:9 55:21,23 56:3 60:13 62:5,14,24 67:12,19 72:15 74:9 77:10,13 77:22 81:18 85:9 88:2 94:17 95:4,23 timeframe 65:9 77:25 times 16:15 95:3 timestamp 22:11 95:4 title 20:9 36:1 36:1,3 titled 34:20 today 8:13 9:3 9:7 10:9,25 36:21 72:17 73:8 79:8,14 81:25 82:1,5,7 82:9 91:21 95:20 together 34:16 tomorrow 8:15 8:22 9:4 10:14 10:20 11:7 81:8 90:22 96:1,23	ton 68:3 took 82:14 top 22:11 23:11 40:10 41:12 65:5 79:2 81:14 83:2 85:14 tops 10:17 total 23:3 25:21 29:17 33:18 52:16 53:25 57:16 totally 96:11 touch 48:6 toward 69:1 74:20 towards 41:20 towers 5:18 traffic 28:25 trailing 87:2 training 36:21 42:25 46:7 62:9 transaction 93:22 transcribed 3:25 transcript 97:4 transferred 13:2,9 90:6 transitioning 78:7 translate 34:3 34:24 travel 16:13 treasury 78:19 80:10,12 81:19	81:22 tribal 19:20 tricky 69:13 true 68:5 72:2 97:4 trump's 78:11 truth 12:9,10 12:10,15,15,15 try 9:17 96:18 trying 20:24 77:20 86:17 87:10 91:8 turn 10:10 21:19 26:12 43:15 50:12 91:25 turning 60:14 turtleneck 91:12 twelve 51:2 two 9:11 11:18 15:2 38:6 45:23 51:1,8 60:5,15,18 61:5,8,14,17 68:7 69:18 70:8 73:2 76:19,22,24 77:1,7,8,12,14 82:10 85:6 94:3 type 27:5 29:16 30:1 40:22 41:3 49:2 types 15:18 typical 18:4 61:12	typically 32:23 44:16 49:7 52:21 66:14 67:5 u u 12:23 u.s. 2:5,23 78:15 ultimate 33:21 57:7 ultimately 33:22 60:21 unclear 78:22 under 34:15 39:1 44:6 undergraduate 13:9 underlying 32:12 underneath 14:12 15:3,16 underperform... 76:13 undershirt 91:13 understand 25:6 36:9 76:8 understanding 81:19 93:4,7 understood 10:12 undeveloped 24:1 unidentified 91:11 unimproved 22:18
---	---	--	--

unit 25:21 27:21,21 29:14 29:14,19,20 52:23 53:15,20 86:10 87:1,5 87:14,16,19,20 united 1:1 2:4 86:20 units 23:1 24:15 25:22 31:4 53:12 77:22 university 13:8 13:10,11,19 unknown 2:25 unrelated 96:12 unusual 29:2 upfront 40:24 upper 92:12 use 15:24 24:10,19 25:16 26:15,17,25 31:16,18 32:2 32:3,3,4,11 34:24 36:5 49:22,24 60:21 60:23 64:25 65:19 70:19 72:5 74:3 80:8 80:22 used 23:7 33:4 63:25 64:14 65:15 72:5 76:25 users 26:18	uses 28:14 30:1 31:23,24 using 9:18 70:1 87:18 usually 41:4,14 67:18 utilities 29:1 58:4 utility 28:25 utilizing 42:25 62:9 v vacancy 56:18 56:25 77:9,9 88:16 vacant 31:19 31:22 49:24 77:22 valuable 52:9 57:19,20 79:18 79:18 valuation 23:8 23:11 26:3 27:11 32:19 33:1 34:15 35:10,12,17 52:7 53:6,20 54:14 55:7 57:7 61:20 66:2 77:17 valuations 31:11 60:14,15 61:5,14 94:16 value 18:12,15 23:15,17,18,23 23:24 24:1,1,2 24:6,6 26:1,3	26:16,20,21 27:10 31:14 32:9,11,12 33:17,18,21,24 34:3,14,18,24 35:3,7,8,11,12 35:14,16 38:12 38:17,18,19,20 38:22 39:4,7 39:15,18,18,19 39:22,23,24 40:5,5,6,7,11 40:12,16,20 41:5,7,8,9,13 42:12 44:8,13 44:21 45:2,10 45:14 47:6,10 47:11,15,16,17 47:19,20,21,23 50:7 54:16,20 55:3,14,17 57:9,11 61:3,6 61:15 66:11 67:22,23 72:1 73:7 74:17 84:12,15,24 85:7 89:5,14 89:16,17,24,25 90:3,4,7,10 94:19 valued 66:7 68:2 values 23:14 25:10 26:4,5 26:16 35:9 45:3,5 48:5 78:21	valuing 41:16 60:22 89:13 variable 80:5 variance 69:18 variety 24:11 various 25:5 26:25 27:10,20 80:19 verify 73:5 veritext 97:20 version 93:3 verstandig 4:8 6:7 7:13,14 11:12,17 17:16 19:16,19,23 20:17,18,23 21:3,9,11,13 37:15 50:8,17 62:17,19 63:4 63:10,11,13,18 63:23 64:9,12 68:23 69:4,16 69:17 70:7,24 71:1,9,11,17 74:18,21 80:22 81:2,7,10 83:18,21 85:15 85:18 87:24 88:3,8,11,14 88:22 91:8 95:7,8,10,15 96:4,9,14,18 video 8:13 10:5 videoconfere... 69:14 view 28:1
--	---	---	--

visibility 28:25 visit 10:8 visual 22:16 63:24 vogel 4:11 17:4 17:6 voir 19:16 volatility 78:9	way 35:5 45:8 68:6 69:22 ways 27:10 wdc 58:21 we've 8:10 9:9 24:19 33:6 34:14 42:13 56:6 67:18	69:21,23 71:14 71:15 88:6,23 90:20 91:21 95:19,22 witnesses 8:21 9:10,23 10:4 10:21 11:5,14 11:18	y
w	weakness 75:24 77:19	woods 5:9 word 42:1 84:16	yeah 10:13 11:4,6 27:18 31:17 39:10 40:14 41:23 45:9 48:6 50:10,18,24 54:10 55:11 57:15 59:24 67:18 69:11 75:13 87:18 89:7 91:2,10 91:11 95:24
w 4:17 walk 25:4 43:18 48:4 wall 5:17 8:8 want 13:22 25:4 36:6 42:20 45:25 51:15 62:4 66:16 67:21,22 67:25 80:5,7 81:4 84:25 wanted 8:10 94:22 wanting 45:18 warranted 74:16 washington 13:2 wasting 66:13 watertown 3:4 5:10 7:25 8:3 16:4,5,12,15 24:20 28:5 31:9 64:22 65:1,11,18 70:15 72:6 76:14 81:24 85:11 86:11,13	weaknesses 76:2 weather 8:12 9:17,23 wednesday 10:18 week 7:5 10:22 10:24 80:16 81:20 weight 61:13 61:24 went 15:10 36:8 39:7 85:11,19 west 4:22 western 86:20 wheel 52:1 wide 11:5 willing 20:16 61:3 79:22 witness 6:4 9:3 10:5 11:25 12:7,11,14 19:21,22,25 20:4,8 42:2 50:9,14,16,22 59:12,15 69:11	work 11:6 14:13,21,24 15:3,15,17 24:21 26:14,15 35:23 39:13 67:14,22 68:3 81:7 83:5 worked 16:21 17:3,9,15 working 15:6 49:3 74:6 works 11:5 world 15:1 wrap 7:5 90:20 wrapped 7:4 wrong 21:7 84:1 wrote 72:11,18	year 13:9 14:6 25:21 29:17 67:12 73:6 78:19 80:10,12 81:19,22 84:9 84:12 87:3,7 87:15 years 60:5 73:2 yep 20:9 32:15 50:16 yield 78:20 81:19
		x	z
		x 1:4,10,12,18 1:20 2:1 6:1,10	zero 24:4 zoning 25:18 28:23 29:24,25 30:2,4 zoom 7:21,23